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Follow-up to and implementation of the outcome of the International Conference on Financing for Development

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Item 6 (a) of the provisional agenda**
Implementation of and follow-up to major United Nations conferences and summits: follow-up to the International Conference on Financing for Development

Summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 16 April 2007)

I. Introduction

1. The special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) was held on 16 April 2007. The overall theme of the meeting was "Coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus".

2. The 2007 meeting was preceded by extensive consultations within the Economic and Social Council, and between the President and members of the Bureau of the Council and the management of the Bretton Woods institutions, WTO and UNCTAD, meetings with members of the executive boards of the International Monetary Fund (IMF) and the World Bank and members of the UNCTAD Trade and Development Board. In the course of those consultations and meetings, the agenda and the format of the special high-level meeting were discussed and agreed upon.

3. Four sub-themes were selected to serve as the focus of substantive discussions in four parallel round tables that took place during the meeting. The four sub-themes were: (a) Good governance at all levels; (b) Voice and participation of developing countries in international economic decision-making, including the Bretton Woods institutions; (c) Realizing the Doha Development Agenda: effective use of trade and

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investment policies; and (d) Aid effectiveness and innovative financing for development. The meeting had before it a note by the Secretary-General (E/2007/10) that provided background information and suggested possible questions on each of the four sub-themes.

4. The meeting featured a brief opening plenary, which included statements by the President of the Economic and Social Council, Dalius Čekuolis; the Secretary-General of the United Nations, Ban Ki-moon; the President of the General Assembly, Haya Rashed Al Khalifa; the Deputy Chairperson of the Development Committee, Alejandro Werner; the President of the Trade and Development Board, Mohamed Saleck Ould Mohamed Lemine; the Deputy Managing Director of IMF, Murilo Portugal; and the Deputy Director-General of WTO, Valentine Rugwabiza. The opening plenary was followed by the four round tables, which allowed for a free-flowing discussion among the participants. A resumed afternoon plenary was devoted to reporting back on the round-table discussions and to further debate, open to all stakeholders, including civil society and the business sector.

5. The co-chairs and lead discussants of the round tables were as follows:

Round table A: Eckhard Deutscher, Executive Director, World Bank (Germany) and Willy Kiekens, Senior Executive Director, IMF (Belgium), as co-chairs, with Marjatta Rasi, Undersecretary of State for International Development Cooperation and Policy (Finland), as lead discussant;

Round table B: Clifford Marica, Minister of Trade and Industry (Suriname) and Svein Aass, Executive Director, World Bank (Norway), as co-chairs, with Murilo Portugal, Deputy Managing Director, IMF, as lead discussant;

Round table C: Ruud Treffers, Director-General for International Cooperation (Netherlands) and Mohamed Saleck Ould Mohamed Lemine, President of the Trade and Development Board, UNCTAD, as co-chairs, with Signe Ratso, Director, Directorate General for Trade, European Commission and Lakshmi Puri, Director of the UNCTAD Division for Trade in Goods and Services and Commodities, as lead discussants;

Round table D: Brigitte Girardin, Minister Delegate for Cooperation Development and Francophonie of France and Baledzi Gaolathe, Minister of Finance and Development Planning (Botswana), as co-chairs, with Hilary Benn, Secretary of State for International Development (United Kingdom), and José Antonio Ocampo, Under-Secretary-General for Economic and Social Affairs, United Nations Secretariat, as lead discussants.

6. The 2007 meeting had a significant number of participating executive and alternate directors of the Boards of the World Bank and of IMF. Other participants included ministers, vice-ministers and other high-level national officials in the areas of finance, foreign affairs and development cooperation, as well as senior representatives of United Nations agencies and other international organizations (see E/2007/INF/1). Representatives of non-governmental organizations and the business sector also participated actively in the plenary meetings and round tables.

7. A number of participants pointed out that the current world economic situation was particularly favourable to promoting development objectives related to the sub-themes selected for the 2007 meeting. Annual global growth was about 5 per cent, inflation was tame and financial stability had improved in relation to previous

decades. Gross national product was expanding in most regions of the world and forecasts for 2008 indicated similar progress. Nevertheless, serious downward risks persisted: a sharper than expected slowdown in the biggest economy; reversal of the liberalization trend if the Doha round of trade negotiations failed; possible revival of inflationary pressures and increased volatility in financial markets. It was important, therefore, for countries to bolster domestic financial foundations, and for IMF symmetrical surveillance to be strengthened, and multilateral consultations on global imbalances under the aegis of the IMF to be assisted in narrowing those imbalances.

8. What follows is a summary of the salient issues discussed in the morning and afternoon plenary meetings and in the round tables. The summary reflects observations, analyses, initiatives and recommendations put forward by participants in the course of the meeting. Several participants referred to possible themes that might be addressed by the Economic and Social Council Development Cooperation Forum in July 2007, the General Assembly High-Level Dialogue on Financing for Development in the fall 2007, and the twelfth session of the United Nations Conference on Trade and Development (UNCTAD-XII) in April 2008. In my concluding remarks, I suggested that one of our tasks ahead was to ensure that the 2008 spring meeting significantly contributes to the preparation for, and success of, the Financing for Development Review Conference to be held in Doha, Qatar in the second half of 2008. The summary is structured largely on the basis of the four sub-themes mentioned above.

II. Governance at all levels

9. Most participants agreed that enhancing governance implied parallel advances on various crucial fronts. A broad framework of reference encapsulating the rule of law, sound economic policies, protection of human rights, effective democratic institutions, equitable income distribution and gender equality were necessary. That also called for strengthened bilateral and multilateral cooperation with countries making efforts on those fronts and in enhancing governance institutions. It was noted that the Bretton Woods institutions, particularly the World Bank, were actively collaborating with such efforts, and harmonizing work with other bilateral and multilateral stakeholders working in that area. It was also noted that since good governance was a prerequisite to ensure the effectiveness of official development assistance (ODA), governance constituted a key pillar of the development cooperation of many donors. Yet, good governance could not simply be imposed from outside; the principles of commitment and ownership by the recipient country were also essential.

10. A number of representatives pointed out that there was a need for greater coherence within and among the major international organizations while maintaining a diversity of donors in development cooperation. Several indicated that it would be important to support the recommendations of the United Nations High-level Panel on System-wide Coherence. They concurred with the Panel's vision of "delivering as one" and shared the view that the operational approach that contemplated one programme, one leader, one budgetary framework and, where appropriate, one office in the recipient country, offered a good starting point. In that regard, however, some other participants indicated that it still remained to be decided if the Panel's recommendations provided the adequate and needed answers.

11. Several discussants stressed the critical importance of good governance in multilateral institutions. It was a crucial factor in effective international cooperation. Multilateral institutions, including international financial institutions, should adopt the highest standards of performance and be accountable for their own actions. Transparency and appropriate participation of all relevant actors were key determinants of good governance at the national and international levels.

12. In the view of a number of participants, reducing corruption was crucial in the fight against poverty since corruption often affected the most vulnerable. The ratification of the United Nations Convention against Corruption by all countries was important. It was noted that developed countries had been slower in ratifying the Convention than developing countries. Some speakers stated that strengthening oversight agencies, together with civil society and the media, was a critical factor in combating corruption.

13. Peer reviews, drawing from civil society, the business sector and the media could also be an effective instrument to enhance good governance and combat corruption. It was suggested that the international community could assist by trying to agree on what constituted, in broad terms, a sound governance profile that could provide a benchmark for peer review.

14. Several speakers stated that good governance also implied transparent and fair market rules, effective opportunities for entrepreneurship and provision of adequate infrastructure. Some representatives stressed the need to promote business ethics in a variety of ways, including incorporating the subject in high school and university curricula for students. More generally, education was seen as critical to building capacities to promote good governance and effective institution-building. The work of the Global Compact was also seen as a significant factor in drawing together a range of principles related to business ethics, corporate social responsibility and fighting corruption.

15. According to a number of discussants, it was important at the same time that there be an adequate oversight of the financial sector to prevent financial crises. Sound management of fiscal accounts and an adequate mobilization of domestic resources to provide public services were two key dimensions of good governance. The improvement of the (progressive) tax system and the strengthening of the tax administration, particularly to combat evasion, should continue to be seen as a key task of Governments. Some participants urged further strengthening of international cooperation in tax matters to, inter alia, improve global monitoring over illicit international transactions and concealment of income and to reduce tax evasion.

16. Several speakers pointed out the importance of better international support for development and poverty eradication efforts in middle-income countries, including enhancing governance. The recent Intergovernmental Conference on Development Cooperation with Middle-income Countries, held in Madrid on 1 and 2 March 2007, had focused on that issue and considered the most suitable forms of support for those countries. The outcome of that conference was made available to members of the United Nations (A/62/71-E/2007/46) as well as other relevant forums.

17. A number of discussants also noted that good governance implied bringing together civil society and the business sector for the achievement of the goals of a number of Governments. That cooperation was particularly important in the delivery of some public services. Many participants emphasized the need for the

decentralization and strengthening of governance at the local and community levels. There were calls to enhance participatory decision-making, transparency and accountability, including the measurement of results of actions taken at the local level. It was considered important to set up structures that encouraged women and the poorest segments of the population to participate in local-level decision-making.

III. Voice and participation of developing countries in international economic decision-making, including the Bretton Woods institutions

18. Numerous representatives recalled that the Monterrey Consensus had called for broadening and strengthening the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting. They converged on the need to achieve that through a transparent, open and democratic process. Recently, some forms of participation in limited groups, such as the Group of 7 and the Group of 20, had allowed developing countries more interaction with larger actors in the international scene. In the view of a number of participants, that was a positive development. Yet, other participants expressed some skepticism regarding the value of such an approach since only a very limited number of developing countries, which were not necessarily representative, were invited to participate.

19. It was widely noted that the Bretton Woods institutions were considering the issue and that several first steps had been taken in some areas to increase the voice of developing countries. The members of IMF had, in September 2006, agreed on an ad hoc increase in the quota for China, Mexico, the Republic of Korea and Turkey. Moreover, IMF had adopted a road map for a new quota formula, a major determinant of voting power, to be finalized not later than the spring of 2008. The quota review under the new formula, together with a decision regarding basic votes to ensure that as a minimum the share of the voting power of low-income countries was preserved when the quota review materialized, was a necessary first step to correct current anomalies. Action on that front was a priority matter since it had a direct bearing on enhancing the effectiveness and legitimacy of IMF.

20. Some participants questioned whether the approved road map and the decision on basic votes would really lead to meaningful changes that addressed underrepresentation. The developed countries, with only one sixth of the world's population, had over 60 per cent of the IMF total vote, and the largest economy had "veto" power on matters requiring an 85 per cent majority. At the origin of IMF, basic votes represented about 11 per cent of total voting power and currently they represented close to only 2 per cent. The situation was unlikely to change sufficiently with the limited approach taken so far. Many discussants converged on the importance of assigning a relatively large weight to economic size in any quota formula, as well as significant weight to the population variable, while ensuring an adequate representation to small economies and countries. It also seemed important that IMF pay more attention to the mechanism of double majority (requiring 85 per cent of voting power and three quarters of the membership) and consider its use on a wider scale, for special matters. That, together with universal membership and a decision-making process characterized by consensus, fostered the participation of all.

21. It was noted that the question of adequate representation by developing countries and transition economies in the World Bank would gather momentum after the decision on that issue was taken in IMF. Technical work on that issue was proceeding in the World Bank, and the outcome of such work would be discussed by the Development Committee at its meeting in October 2007. In the meantime, efforts to strengthen the offices of executive directors with constituencies including a large number of developing countries, as well as cooperation efforts to build the capacities of developing countries and transition economies to deal with international financing issues, should continue.

22. In the view of several discussants, addressing changing public perceptions regarding the legitimacy of the Bretton Woods institutions was urgent. After the Asian crisis their credibility had suffered. Some countries seemed to be opting out of IMF through early repayment of loans, and a large number of countries were accumulating reserves as a form of self-insurance. Some representatives, however, stressed that those actions signalled positive economic conditions in the respective countries. Some speakers noted that the climate for reform was currently ripe. The economic and balance-of-payments situation of a considerable number of developing countries had improved and more developing economies in several regions were stronger. Some participants emphasized that adequate participation was also important in all bodies that set financial norms or global policies, not just the Bretton Woods institutions.

IV. Realizing the Doha Development Agenda: effective use of trade and investment policies

23. An overarching concern in the dialogue was the urgency of a successful conclusion of the Doha round of trade negotiations. Numerous participants were encouraged by the decision in New Delhi the previous week to set the deadline for end-2007 to promote a new draft text for the negotiations. In that respect, some participants expressed cautious optimism about the possibility of successfully concluding the Doha round by that date. Currently, the real challenge was more political than technical. Several speakers underscored the responsibilities incumbent on the principal actors towards a timely and meaningful completion, while others stressed that the Doha round should be about both freer trade and fairer trade. Some pointed out that there were four key deliverables in the Doha round: (a) substantially enhanced, predictable and additional market access to developing countries; (b) levelling the playing field, which entailed enhancing the rule-based framework against arbitrary action by stronger trading partners; (c) policy space so that countries could benefit from trade liberalization and a better deal with the cost of adjustment; and (d) assistance to developing countries in adjusting to trade liberalization.

24. For some discussants, as expressed in the Development Committee Communiqué of 15 April 2007, the success of the Doha round not only meant new trade opportunities but also strengthened in important ways the multilateral trading system. It was a major shared concern that the window of opportunity was drawing to a close. Failure in the Doha round would weaken multilateralism and increase the dependence of developing countries on regional and bilateral agreements. Also, there was a risk that new forms of protectionism would gather momentum. The

challenge today was effective leadership and readiness to compromise by key actors which, under present conditions, required a great deal of political courage. The changing role of a significant number of countries was also noted, namely through the emergence and active participation of new coalitions of developing countries with significant negotiating power.

25. A number of speakers pointed out the large potential gains of broader and widespread liberalization. It would promote more investment opportunities in a number of areas, for both domestic and foreign investors, benefiting the developing countries. It would also assist in enhancing the investment climate, which should lead to additional foreign direct investment. On the latter issue, a few representatives expressed a view that foreign direct investment should be directed to specific sectors and regions in need of infrastructure and increased economic activity with guidance from Governments.

26. According to several participants, the variety of estimates of benefits from liberalization as a result of the Doha round showed that gains were not clear cut. New agricultural market access would benefit a limited number of competitive agricultural exporters. There could be an erosion of the advantages for preference-receiving countries. For poor countries much of the gain would likely accrue from the liberalization of access under mode 4 (movement of natural persons) of the General Agreement on Trade in Services, the removal of non-tariff barriers and trade facilitation. The 3 per cent exemption for least developed countries of duty and quote-free access to developed country markets could exclude virtually all the products in which least developed countries were competitive, making them dependent on the good will of trade partners for market access. Given the above, many representatives argued that trade liberalization should be managed in a deliberate and gradual manner with increased assistance to deal with preference erosion.

27. A recurring concern expressed in the deliberations was the special needs of certain groups of countries: least developed countries, landlocked developing countries and small island developing States. It was noted that sufficient policy space was particularly necessary for such countries owing to their structural constraints and specific vulnerabilities. Trade facilitation was critical for adequate progress in the exports of all of those countries. Landlocked countries required assistance to transit their goods expeditiously and to lower transport and insurance costs. Moreover, countries in those groups should not be required to undertake commitments that were too costly to implement. Some representatives stressed that WTO members should not impose commitments on WTO-acceding countries that they themselves were not undertaking as, for example, in some areas of services.

28. Many representatives underlined that building competitive productive capacity was essential in order to respond to new trading opportunities. In a large number of low-income countries capacity expansion for exports was as important as market access. Some participants emphasized that strengthening productive capacities required solid and competitive domestic firms with the requisite skills and technology and the adequate infrastructure so that products could be efficiently financed, produced, transported and traded. To that end, developing countries needed to supplement domestic efforts, private and public investments, with foreign direct investment and, where appropriate, ODA, particularly in export-oriented industries. Yet, in designing those elements of the country's development strategy, it

should be recognized that no single set of policies was likely to be universally valid. Such policies should always be designed in the light of country-specific conditions.

29. A large number of representatives mentioned the key role of aid for trade as a critical response to the capacity-building issue. Aid for trade could be a necessary catalyst for leveraging investment, entrepreneurship and reform. Such aid, in the view of some discussants, should be predictable, avoid the introduction of burdensome conditionality and be adequately financed, additional to other development assistance and preferably grants. It would require greater cooperation and coherence among WTO, UNCTAD, the World Bank, IMF and among trade, finance and development ministries in donor and beneficiary countries. It was also noted that international financial institutions had an important role in assisting developing countries to establish mechanisms for risk mitigation, for example management of foreign exchange risks and partial risk guarantees to encourage more foreign investment in infrastructure projects.

30. Several participants pointed out that world trade was expanding at a swift pace and that a new geography of trade relations was emerging, with a significant number of developing countries playing an increasing role. The new situation had opened up opportunities for more rapidly expanding South-South trade by exploiting emerging new complementarities. The conclusion of the third round of the Global System of Trade Preferences as well as trilateral (South-South-North) cooperation was particularly important for developing countries to take full advantage of opportunities offered by the current situation.

V. Aid effectiveness and innovative financing for development

31. According to many participants, aid effectiveness was a critical factor in international cooperation outcomes. Enhancing that effectiveness involved efforts in many areas, and those efforts should accompany parallel efforts to increase aid volumes. Some participants stressed the importance of giving a stronger voice to developing countries in improving the aid architecture, including monitoring of the volume and composition of aid flows and policies to enhance effectiveness. The Development Cooperation Forum to be launched in July 2007 would constitute a good opportunity to give a stronger voice to developing countries in reviewing the evolution of the aid architecture.

32. Some representatives indicated that efficient aid delivery involved action on many fronts, several of which were particularly important: (a) as much aid as possible should be available on a predictable basis; (b) specific conditions and challenges of delivering aid to fragile States deserved special consideration; (c) there was a need to ensure that aid was better distributed so as to avoid "donor darlings" and "donor orphans"; (d) the issue of aid effectiveness in the United Nations system should be addressed to make the United Nations development assistance channels more attractive to donors; (e) the progress that had been made on innovative sources of finance should be built on; and (f) there was a need to ensure that development aid would lead to "climate proof" aid programmes to prevent environmental degradation.

33. A number of participants emphasized the need to improve aid effectiveness by enhancing ownership, coordination and harmonization of donors, streamlining conditionalities and expanding budget support. In the view of several discussants,

more needed to be done to ensure true country ownership. A larger share of aid could go to budget support in the recipient country with parliamentary oversight in the allocation of resources. More efforts were necessary to align aid programmes with the national development strategy and to take into account country systems and capacities. Some discussants expressed concern that a considerable part of development assistance was spent on procurement from donor countries and international consultants.

34. It was pointed out that research by the Organization for Economic Cooperation and Development (OECD) in 30 developing countries had found that those countries were receiving one mission per country per day on average. That showed that more effective coordination among donors was necessary. For some discussants, however, more coordination raised the danger of "donor monopoly". Others felt that donor coordination was not so essential. In any event, the recipient country should take the lead in enhancing coordination efforts and aid effectiveness efforts should focus mostly on achieving results.

35. Regarding aid flows, several representatives expressed concern at the decline of ODA in real terms in 2006. That was mostly due to much lower amounts of debt relief which, in the recent past, had constituted a substantial part of total aid. That decline had to be seen in the perspective of commitments made by donor countries to substantially increase aid, something they had done from 2002 to 2005, and the flows required to achieve the Millennium Development Goals. Strong additional efforts were necessary for many donors to meet the target they had set for 2010, including the Group of 8 target of doubling aid to sub-Saharan Africa in that same year. Indeed, the need to scale-up aid flows had figured prominently in the spring 2007 meetings of the Bretton Woods institutions.

36. Some discussants questioned the approach that included humanitarian aid and debt relief in the aid flows. Humanitarian aid and debt relief did not provide fresh resources for development projects or programmes. Moreover, the actual value of debt that could not be paid was necessarily lower than its nominal or book value. Other participants stressed that the priority was on humanitarian aid and that development aid should be aimed where it could help generate growth and, in the long run, help people lift themselves out of poverty. In that context, it was mentioned that Iraq expected support and assistance from the international community, including the Bretton Woods institutions, WTO and other multilateral institutions, in fulfilment of commitments regarding reconstruction and the International Compact with Iraq.

37. Addressing aid predictability, several speakers highlighted the potentially negative impact of stop-and-go aid flows. Abrupt changes in aid disbursements made it difficult to implement development programmes in low-income countries and had an adverse impact on macroeconomic stability. It also made financial planning much more complex in multilateral development agencies such as the United Nations Development Programme (UNDP). A number of participants stressed that increased aid effectiveness and showing the concrete results of aid in international cooperation were crucial for a smooth mobilization of official resources, as it would help policy makers convince their parliaments that financing development was money well spent. For example, it was important to note that the number of people living on less than one dollar a day had fallen below the one

billion mark and that child mortality in several countries, particularly in Africa, had declined substantially.

38. It was pointed out that aid predictability, together with other critical issues related to aid effectiveness, would be addressed at a high-level meeting in Ghana in 2008 to take stock of the implementation of the Paris Declaration. An OECD Development Assistance Committee working party had been established to prepare the meeting. Hope was expressed that the process of reviewing implementation of the Paris Declaration would reach beyond the confines of OECD/DAC and that there would be adequate participation of developing countries.

39. A number of participants questioned the prominence given to aid effectiveness in the current discussions. Issues such as tax evasion, particularly tax havens that facilitated an evasion of the order of US $255 billon annually, and reduction of non-essential or superfluous expenditures to free resources for achieving the Millennium Development Goals had to be tackled.

40. Several representatives also stressed the key role of business. Development assistance was not a long-term solution; aid dependence had to be reduced. Creating productive employment and an enabling environment for private investments had to be prioritized. Aid could be used to leverage such investments. Moreover, it was stated that the private sector could play, and in some countries it already did play, an essential role in development financing. Tapping the resources of the private sector was one of the most important challenges a country and its entrepreneurs faced.

41. Some discussants pointed out that a careful analysis of the structural adjustment programmes of the Bretton Woods institutions was necessary to ensure that the policies advocated in such programmes did not impact adversely on those that they were aiming to lift out of poverty. At the same time, they called for more coherence between aid, trade and financial policies of donor countries. Several participants emphasized the importance of the gender dimension in development finance, in particular, the effective participation of women in the implementation of aid programmes and the adoption of gender-sensitive budgeting.

42. In the view of several participants, fragile States and least developed countries, small island developing States and landlocked developing countries, many of which were in sub-Saharan Africa, required special attention. Cooperation efforts, including ODA, technical assistance and commitments in multilateral trade negotiations, had to be better tailored to their specific conditions.

43. The recent launching of new innovative financing mechanisms was addressed by a substantial number of speakers. It was emphasized that innovative sources of finance complemented official aid; they were not a substitute. The aim was to mobilize additional resources and channel them on a predictable and stable basis. The launching and implementation of the International Drug Purchase Facility (UNITAID) had shown that collecting additional funds through innovative sources of finance, such as levies on air flight tickets, was feasible. Besides, consumers on balance had not reacted negatively. Some participants, however, questioned the approach of earmarking taxes by targeting specific businesses. A number of representatives noted the potential for synergy among some of those initiatives, in particular to make progress in the health front with UNITAID, Advanced Market Commitments (AMCs) and the International Financial Facility for Immunization (IFFIm).

44. Several representatives proposed that the experience gained through pilot schemes of innovative sources of finance be scaled up. In the view of some representatives, other options also deserved attention, such as the following: the Philippines had experienced positive results with debt equity swaps, a scheme which had been endorsed in a recent Association of Southeast Asian Nations summit and deserved further study by the United Nations; Spain had proposed the creation of a fund to facilitate the use of remittances for development purposes, while working together with the private sector to reduce the costs of transfers and considering a high-level international dialogue on that issue; and the proposed Costa Rica consensus was geared to mobilize additional ODA support for low-income and middle-income countries that increased social spending by cutting military expenditures.

45. It was noted by many participants that the halfway point to 2015 was about to be reached; only seven and a half years were left to achieve the Millennium Development Goals. It was thus important to move the development agenda forward at a faster pace. The unique format and comprehensive nature of the Monterrey Consensus allowed it to be an effective multi-stakeholder mechanism to help in that endeavour. It had brought together and given voice to all parties with a stake in development. The Financing for Development process provided the opportunity to foster rapid and substantial progress in achieving the Millennium Development Goals and other internationally agreed development goals, as well as other aspects of national development strategies. One of the most constructive aspects of that process was the integrated and coordinated contribution of the United Nations, the Bretton Woods institutions, WTO, UNCTAD and other major stakeholders. Indeed, the sub-themes chosen for deliberations in the special high-level meeting in 2007 were all central to development cooperation.

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Coordination, programme and other questions

Joint United Nations Programme on HIV/AIDS (UNAIDS)

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Economic and Social Council the report of the Executive Director of the Joint United Nations Programme on HIV/AIDS (UNAIDS), prepared pursuant to Council resolution 2005/47.

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Report of the Executive Director of the Joint United Nations Programme on HIV/AIDS (UNAIDS)

Summary

The present report was prepared in response to Economic and Social Council resolution 2005/47, in which the Council requested the Secretary-General to transmit to the Council, at its substantive session of 2007, a report prepared by the Executive Director of the Joint United Nations Programme on HIV/AIDS (UNAIDS) in collaboration with other relevant organizations and bodies of the United Nations system.

In 2007, the AIDS epidemic remains as concrete and complex as ever before. Increases in incidence of new HIV infections and in the number of deaths owing to AIDS go hand in hand with a much expanded coverage rate of antiretroviral treatment. The response to the epidemic evolves continuously: since 2005 the concepts of harmonization and alignment — of funding, programming and reporting — have taken on much more defined shapes. At the country level, building on the "Three Ones" principles, partners in the response increasingly work together. This includes governments, multilateral and bilateral donors and agencies, the United Nations system, civil society and the private sector. Within the United Nations system, a technical division of labour and joint United Nations teams and programmes on AIDS reinforce the ideals of coherence, increased effectiveness and accountability. The move towards universal access to prevention, treatment, care and support has translated into concrete target-setting at the national level. Such a country-focused approach ensures that targets are relevant to the specific stage and type of the epidemic in that country, not just the financial and programmatic situation.

The coverage and quality of monitoring and evaluation, as well as HIV surveillance, have increased significantly, resulting in better and more specific information gathered at the country level and feeding into global reporting. The same applies to the tracking of financial resource flows. These processes contribute not just to improved reporting and better assessment of available resources: they aid financial and programmatic accountability, feed back into planning and policymaking as well as programme design, and provide justification for consistent and sustained resource mobilization.

Prevention has re-emerged as the mainstay of the response. With "Uniting for HIV Prevention", UNAIDS and a range of partners have intensified advocacy and policy guidance on prevention and are assisting countries in ensuring that national targets for universal access include specific and measurable targets for prevention.

Underlying all efforts must be the respect for, and promotion of, universal human rights. Without removing barriers such as stigma, discrimination, inequality of women and the marginalized position of people living with HIV and vulnerable groups such as sex workers, men having sex with men and injecting drug users, the goal of universal access will remain a distant ideal.

In conclusion, the report offers a series of recommendations. The Economic and Social Council is invited to review the report and its recommendations.

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I. Update on the epidemic

1. Since the 2005 report of the Executive Director of UNAIDS (E/2005/59), the number of people living with HIV has continued to grow. A total of 39.5 million people were living with HIV in 2006, an increase of 2.6 million since 2004. The number of newly infected adults and children continues to be 4 million per year. In many regions of the world, new HIV infections are heavily concentrated among young people (15-24 years), who accounted for 40 per cent of new HIV infections in 2006. These figures illustrate that the importance of effective and targeted prevention programmes cannot be overestimated.

2. The number of deaths owing to AIDS increased from an estimated 2.2 million in 2001 to 2.9 million in 2006. This is largely the result of an increase in the number of people with advanced HIV infection and in urgent need of treatment, whose numbers are rising faster than the scale-up of antiretroviral therapy.

A. Regional variations

3. Two thirds (63 per cent) of all adults and children with HIV live in sub-Saharan Africa, an estimated 24.7 million adults and children, 1.1 million more than in 2004. Almost three quarters (72 per cent) of all adult and child deaths owing to AIDS in 2006 occurred in that region.

4. During the past two years, the number of people living with HIV has increased in every region in the world. The most striking increases occurred in East Asia, in Eastern Europe and Central Asia, where the number of people living with HIV in 2006 was 21 per cent higher than in 2004. Over the same period the number of new HIV infections rose by 12 per cent in South-East Asia, the Middle East and North Africa, respectively. In Latin America, the Caribbean and North America, the level of new infections remained roughly the same as in 2004.

B. HIV and women

5. In every region of the world, more adult women (aged 15 years or older) are living with HIV than ever before; the figure of 17.7 million women in 2006 represents an increase of over 1 million since 2004. In sub-Saharan Africa the ratio of infected men to women is 10:14. In the Caribbean, Oceania, the Middle East and North Africa, close to half of all adults with HIV are female. Meanwhile, in many countries in Asia, Eastern Europe and Latin America, the numbers of women living with HIV continue to grow. These data underscore the urgent need to focus on one of the key drivers of the epidemic: gender inequality.

C. Challenges and achievements

6. The global epidemic differs across regions, between countries and among communities. As these epidemics continue to develop, both achievements and challenges can be reported. Access to treatment and care has been scaled up significantly in recent years. As at December 2006, more than 2 million people were receiving antiretroviral treatment in low- and middle-income countries, and it is

estimated that 2 million life years have been gained in these countries since 2002. However, prevention programmes have not always been sustained or adapted in line with changing epidemics, and many people still do not consider themselves at risk of HIV.

II. Reporting back on UNAIDS key results

7. The Declaration of Commitment on HIV/AIDS, adopted by the General Assembly at its twenty-sixth special session in 2001,[1] set the benchmark for the global response to AIDS by giving time-bound targets with measurable indicators of progress. In 2006, five years after the twenty-sixth special session of the General Assembly on AIDS, government representatives and global partners assembled again at the General Assembly to take stock, measure progress and renew commitments.

8. During that five-year period, the Joint United Nations Programme on HIV/AIDS reinforced its response in accordance with the targets of the Declaration of Commitment and in line with its own focus areas of:

- Leadership and advocacy;
- Strategic information and technical support;
- Monitoring and evaluation;
- Civil society engagement and partnerships;
- Mobilization of resources.

9. Since the last report in 2005 (E/2005/59), key processes have centred around harmonizing and aligning the response of the United Nations system, operationalizing the "Three Ones" principles and "Making the money work". With regard to the system's response, greater coherence is sought through the development of joint United Nations teams and programmes, and by adhering to an agreed division of labour between the co-sponsors and the UNAIDS secretariat.

10. The sections below will reflect on those and related processes and achievements in greater detail.

A. Leadership and advocacy

1. 2006 High-Level Meeting on AIDS

11. In 2006, the Heads of State and Government participating in the comprehensive review of the progress achieved in realizing the targets set out in the Declaration of Commitment on HIV/AIDS, and in the High-Level Meeting of the General Assembly on AIDS, reaffirmed a strong commitment to respond to AIDS. The Political Declaration on HIV/AIDS was unanimously adopted by the General Assembly on 2 June 2006,[2] restating and deepening existing commitments expressed in the 2001 Declaration of Commitment on HIV/AIDS as well as the Millennium Development Goals. The 2006 Political Declaration reflects the

[1] See General Assembly resolution S-26/2, annex.

[2] See resolution 60/262, annex.

willingness of Member States to speak with one voice on the issue of AIDS. In their statements, the Secretary-General, the President of the General Assembly, the Executive Director of UNAIDS and 144 Member States emphasized the importance of moving towards universal access to treatment, HIV prevention, care and support as well as increasing funding to achieve that goal.

12. Two reports were produced to lay the groundwork for the 2006 High-Level Meeting, the first being the report of the Secretary-General entitled "Declaration of Commitment on HIV/AIDS: five years later".[3] This comprehensive report provided an update on progress made in the response to AIDS since the twenty-sixth special session of the General Assembly in 2001 and on meeting the targets set in the Declaration of Commitment.

13. The second report, transmitted by a note by the Secretary-General, "Scaling up HIV prevention, treatment, care and support",[4] was a result of extensive and inclusive country-led processes, facilitated by UNAIDS, to develop practical strategies for moving towards universal access. The processes included more than 100 country consultations in low- and middle-income countries to critically examine the steps needed to expand access to HIV services. The UNAIDS assessment underlined the need to strengthen human resources and health systems and to remove major barriers to affordable commodities. The need to address stigma, discrimination, gender and human rights and to create more accountability from all stakeholders was also emphasized as fundamental to scale up the response to AIDS.

14. In follow-up to the Political Declaration of 2006, and to further the drive towards universal access, the UNAIDS secretariat drafted the 2007-2010 Strategic Framework for UNAIDS support to countries' efforts to move towards universal access. This Framework was endorsed by the Programme Coordinating Board at its 19th meeting in December 2006 and serves as the principal guide to global, regional and country-level planning, budgeting, implementation and monitoring of progress of UNAIDS support.

15. The concept of universal access has become central to the global AIDS response, but the term itself may need some clarification. It implies that all people should be able to have access to appropriate and high-quality information and services. Concepts of equity, affordability, accessibility and an enabling environment are key to ensure progress towards universal access. Yet countries will have different epidemics as well as different capacities. Therefore, every country must define what universal access means and when it can be achieved. This requires countries to set their own ambitious yet realistic targets, as well as to identify and overcome any obstacles that might prevent the targets from being reached.

2. Women and girls: the Global Coalition on Women and AIDS

16. In his 2005 report to the Economic and Social Council, the Executive Director of UNAIDS referred to the launch of the Global Coalition on Women and AIDS in 2004 (see E/2005/59, para. 39). Since then, the Coalition has worked to ensure that the importance of gender inequalities, as a driver of the epidemic, has featured consistently on the agenda of top international AIDS forums. Examples include the 2006 High-Level Meeting on AIDS, where the Political Declaration made strong

[3] A/60/736.

[4] A/60/737.

commitments on addressing gender inequalities, and the XVI International AIDS Conference in Toronto in August 2006.

17. The Coalition operates as a loose alliance of United Nations system agencies, civil society organizations and networks of women living with HIV, with its secretariat located within the UNAIDS secretariat in Geneva. Advocating at the global, regional and country levels for gender-responsive AIDS programming, the Coalition's goal is to build partnerships for action that will result in concrete, measurable improvements in the lives of women and girls who are vulnerable to transmission or living with HIV.

18. Research by the Coalition partners is used to inform and influence a variety of different groups and organizations; the UNAIDS *Report on the Global AIDS Epidemic 2006* presented specific information related to women. This included summarizing recent research on stigma- and gender-related barriers to the uptake of antiretroviral treatment, case studies on property rights, and updates on microbicides research.

19. The Coalition continues to underline the need for data that is disaggregated by sex and for an increased understanding of gender-related barriers to access, as an integral part of implementing universal access and national target-setting.

20. In 2006, the Coalition launched the Agenda for Action on Women and AIDS, which highlights three cross-cutting areas in which prompt action would lead to improvements in women's AIDS response, calling on national governments and the international community to secure women's rights, to invest more money in AIDS programmes for women, and to allocate more seats at decision-making forums to women.

21. The Global Coalition's funds have helped the International Center for Research on Women to provide support to eight grass-roots organizations in sub-Saharan Africa working on the intersection of property and inheritance rights and HIV. The Coalition's fund-raising helped to raise an additional US$ 700,000 for the HIV-related portion of the United Nations Trust Fund in Support of Actions to Eliminate Violence against Women, administered by the United Nations Development Fund for Women.

22. In late 2006, the Coalition reviewed progress made in strengthening attention to women's issues within national AIDS responses in the nine most affected countries of southern Africa. The aim is to see how governments have implemented the recommendations of the Secretary-General's Task Force on Women, Girls and AIDS, and to explore the progress and challenges in developing and implementing national action plans on women and AIDS.

3. Strengthening the United Nations response to AIDS

23. With the diverse and combined mandates, resources and capacity of all the co-sponsors — the International Labour Organization (ILO), the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Children's Fund (UNICEF), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Office on Drugs and Crime (UNODC), the World Health Organization (WHO), the World Food Programme (WFP), the United Nations Population Fund (UNFPA) and the World Bank — and the UNAIDS secretariat, the

United Nations system brings a strong collective effort to the global AIDS response. However, important challenges remain in the area of harmonization and coherence of programming and support. Successfully addressing such challenges will also improve the accountability of the United Nations system as a whole.

(a) Division of labour and consolidated technical support plan, joint United Nations programmes and teams

24. In September 2005,[5] the General Assembly endorsed the recommendations of the Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors. In line with those recommendations, in December 2005, the Secretary-General of the United Nations instructed resident coordinators in each country to establish a joint United Nations team on AIDS with one joint programme of support.

25. This instruction was reiterated at the 17th and 18th meetings of the Programme Coordinating Board, with calls for greater collaboration among co-sponsors and the secretariat in terms of technical assistance, through the agreed division of labour.

26. To support United Nations country teams in fulfilling the directive, the United Nations Development Group, the UNAIDS secretariat and co-sponsors established guiding principles covering the structure and operating modalities of the joint teams.

27. Progress has been encouraging: 63 United Nations Theme Groups on HIV/AIDS have established joint United Nations teams on AIDS. Furthermore, a significant number of joint teams have completed the development of joint programmes of support.

28. As part of the work on the division of labour among organizations, 17 broad areas of UNAIDS technical support were agreed on and a "Lead organization" and "Main partners" were identified for each. The division of labour is intended to streamline technical assistance at the country level and take full benefit of each organization's comparative advantage, leading to a more effective and efficient collective United Nations response.

(b) Programme Acceleration Funds

29. Programme Acceleration Funds (PAF) are a long-standing tool that allow United Nations Theme Groups on HIV/AIDS to assist the national response with strategic and catalytic interventions. Increasingly, proposal development for the PAF, follow-up and reporting will occur through joint United Nations teams on AIDS. The total PAF allocation for the biennium 2006-2007 is US$ 16 million, of which 60 per cent is to be used for activities in 78 priority countries.

30. In 2006, the management requirements and criteria for utilization of the PAF were modified: more responsibility was given to regional support teams for the review and approval process, including greater involvement of co-sponsors in that process.

31. Recommendations by the Programme Coordinating Board and the Global Task Team led to the broadening of PAF utilization criteria. Focus areas now include promoting the achievement of the "Three Ones" and assisting a country-led process

[5] See General Assembly resolution 59/314, annex, para. 57 (f).

to define and implement a road map towards universal access. Yet the PAF should also continue to be used to target thematic and programme areas that represent important gaps in a country's overall response, especially sensitive or neglected issues, such as the greater involvement of people living with HIV, the growing feminization of the epidemic and reaching out to vulnerable and most-at-risk populations.

4. AIDS, security and the humanitarian response

32. Since 2005, the Joint Programme, led by the Office of the United Nations High Commissioner for Refugees (UNHCR), has made significant progress towards addressing the security and humanitarian aspects of the epidemic, both institutionally and programmatically. Regional AIDS, Security and Humanitarian Response (SHR) Focal Points are now invited into regional support teams, making the SHR elements of the AIDS response an integral part of the UNAIDS Agenda. At the 19th meeting of the Programme Coordinating Board in December 2006, SHR issues were discussed extensively, resulting in clear recommendations for UNAIDS to significantly strengthen its security and humanitarian response actions in the years to come.

B. Strategic information and technical support

33. With an evidence-informed approach to information and policies, UNAIDS works to provide guidance and technical assistance to countries in the AIDS response.

1. Country-focused approach: national and global targets

34. Following the commitments made at the 2006 High-Level Meeting on AIDS, and in line with the move towards universal access, assistance has been provided to national target-setting processes. Setting targets at the national level, rather than just the global level, is critical as epidemics and their drivers differ from one country to another.

35. For example, injecting drug use is a major risk factor of the epidemic in Eastern Europe, while in Southern Africa the epidemic is mainly fuelled by unprotected heterosexual sex. Countries are also in different phases of their response. A country such as Brazil has already reached 80 per cent treatment coverage, while others are only at 5 per cent or less. Thus, progress towards the goal of universal access by 2010 will differ from one country to another. Ambitious nationally developed targets are aimed at encouraging higher levels of ownership and accountability by countries.

36. By the end of December 2006, 119 low- and middle-income countries had identified major obstacles to national scaling-up and defined key actions to overcome them. Ninety countries had set targets on universal access, while 25 countries had already incorporated new targets into their strategic plans and had defined the actions and costs needed to achieve them.

37. The country-level process of scaling up towards universal access was supported in a number of ways by the UNAIDS Programme:

(a) Technical and financial support for the national consultation processes;

(b) Technical and operational guidance to countries was provided in the UNAIDS document, "Setting national targets for moving towards universal access: operational guidance" (Geneva, 2006). This document underlines a country-driven and participatory approach to enable consensus-building among partners and promote accountability, and highlights the importance of civil society involvement;

(c) Consultation with civil society organizations on their meaningful participation in the process; a specific guidance note to better enable civil society organizations to support the target-setting and planning process was developed;

(d) Advocacy and monitoring of progress through target-setting, planning and costing.

2. Support for country-level harmonization and alignment ("Three Ones")

38. In a matter of a few years, the "Three Ones" have become widely accepted as the conceptual framework at the country level for partners to join forces effectively to reach the goal of universal access. Where there is one agreed strategic framework for action, this forms the basis for a country's national annual plan and should serve as the blueprint for the Joint United Nations Programme and donor-funded programmes to build on and support.

39. The "Three Ones" translate international commitments on improving aid effectiveness into the AIDS response. The principles focus on greater national ownership, harmonization and alignment and highlight the need for:

- One agreed AIDS action framework that provides the basis for coordinating the work of all partners;
- One national AIDS coordinating authority with a broad-based multisectoral mandate;
- One agreed country-level monitoring and evaluation system.

40. To strengthen the operationalization of the "Three Ones", UNAIDS, with its national and international partners, has worked to implement the recommendations of the Global Task Team to simplify management systems, lower transaction costs, and align technical and financial support with national priorities.

41. One tool specifically well suited to support country-level harmonization and alignment is the joint AIDS review. This review, ideally involving all partners in the response, appraises the implementation of a country's national strategic framework. During the process, gaps and duplication in planning and programming, thematic or geographic coverage, funding and evaluation can be assessed, and recommendations can be made for change in the strategic focus of the framework.

42. To further improve the effectiveness of such reviews, the country harmonization and alignment tool (CHAT) was developed by the World Bank and the UNAIDS secretariat in 2006. As part of the joint review process, CHAT gauges national and international partner involvement and adherence to agreed good practice in harmonization and alignment, improves transparency and accountability, and helps to catalyse a national dialogue to improve practice.

3. Technical support facilities

43. Increased flows of financial resources for AIDS have become available in recent years and many countries have been faced with new challenges. Not every country has sufficient human resources and the technical capacity to translate these funds into expanded programming, implementation and monitoring. To aid this situation, UNAIDS established six regional technical support facilities (TSF), covering 60 countries in Southern Africa, East Africa, West and Central Africa, and South-East Asia and the Pacific. The TSF maintain databases of regionally based consultants, whom countries can call upon to provide technical assistance in the areas of strategic planning, monitoring and evaluation, costing and budgeting, gender and mainstreaming of HIV. During 2006, TSF services were predominantly used by national AIDS authorities and government ministries, which generated 44 per cent of all requests. TSF Southern Africa, for example, has worked closely with a number of countries in the preparations for proposals for the Global Fund to Fight AIDS, Tuberculosis and Malaria.

44. The TSF were designed to make greater use of local expertise to build long-term, sustainable, national and regional capacity as a substitute for short-term technical support provided by international experts. The TSF system reflects the changing role of UNAIDS at the country level. Rather than provide technical support directly, UNAIDS can now focus its support to country partners by helping them to prioritize their technical assistance needs, set minimum standards and facilitate coordination between key providers of technical assistance.

4. Support to mainstreaming AIDS in development

45. UNDP, the World Bank and the UNAIDS secretariat support processes that seek to mainstream AIDS into development assistance at three levels: national development instruments, such as Poverty Reduction Strategy Papers (PRSPs); non-health sectors; and local government.

46. Following recommendations of the Global Task Team, UNDP, the World Bank and the UNAIDS secretariat set up a joint initiative in 2005 to strengthen country capacity to integrate AIDS into PRSPs. Preliminary joint reviews showed that many countries face common constraints, such as insufficient participation of national AIDS councils in PRSP processes, and inadequate analysis of the links between AIDS and poverty, gender inequities and other drivers of the epidemic.

47. With regard to mainstreaming AIDS in non-health sectors, the most progress has been made in high-prevalence countries. The sectors that are most involved are defence, education and youth.

48. At the local government level, continued support is provided through the UN Initiative on Community Action on AIDS at the Local Level (UN-AMICAALL), which provides technical assistance to mayors and municipal leaders in Africa. Through this effort, mayors and municipal leaders commit themselves to addressing AIDS in their communities and to collaborating with each other and with other relevant stakeholders.

5. Resources tracking

49. Funding for AIDS programmes has increased significantly in recent years but still falls short of estimated needs. Tracking of resource flows is vital to accurately establish the level of international resources, to ensure accountability for the resources spent, to support the cost-effective use of funds, and to facilitate flexible allocation as epidemics evolve.

50. Resource availability for AIDS in low- and middle-income countries was estimated at US$ 8.3 billion in 2005 and US$ 8.9 billion in 2006. It is projected that US$ 10 billion will be available in 2007, driven mostly by the increase of contributions by the United States of America through the President's Emergency Plan for AIDS Relief (PEPFAR), and increased pledges for the Global Fund to Fight AIDS, Tuberculosis and Malaria. However, the projected need for 2008 is estimated at between US$ 20 and $22 billion.

51. When analysing these amounts, the importance of domestic expenditure needs to be fully recognized. In 2006, US$ 3 billion, or one third of resources spent, came from domestic sources.

52. An important tool in tracking domestic expenditure is the National AIDS Spending Assessment (NASA). Supported by UNAIDS, the coverage of NASAs increased in 2006 with 95 countries reporting on national funds spent, in line with the Declaration of Commitment's indicator on government expenditure. NASAs can also provide useful inputs for the development of strategic plans and for resource allocation processes.

6. Intensifying HIV prevention

53. The 2001 Declaration of Commitment states that prevention must be the mainstay of the response. The move towards universal access includes access to prevention programmes, as made explicit in the 2006 Political Declaration on HIV/AIDS. The strongest message coming out of the XVI International AIDS Conference in 2006 was the "return of prevention" and that was reiterated at the 19th meeting of the Programme Coordinating Board in December 2006.

54. In response, UNAIDS has launched "Uniting for HIV Prevention", a partnership with a wide range of actors in the response, including civil society, the private sector, treatment activists and governments. To support the initiative, a number of guiding documents were developed, including a policy position paper on "Intensifying HIV Prevention and Practical Guidelines for Intensifying HIV Prevention: Towards Universal Access", which provides advice for different types of epidemics. The UNAIDS secretariat also led consultations with co-sponsors to develop an action plan that lays out an 18-point road map of key deliverables for United Nations system action to help countries to intensify HIV prevention at the country level.

55. In addition, best practices on prevention programmes for most-at-risk populations, including sex workers, drug users and men who have sex with men, have been produced and disseminated.

56. With WHO in the lead, guidelines for provider-initiated HIV testing and counselling in the health sector have been developed and will be published in 2007. UNODC is at the forefront of harm reduction programmes and provides technical

assistance on HIV prevention and care among injecting drug users. UNFPA is the lead agency behind the Global Condom Initiative, emphasizing in particular female condom programming.

57. The compelling research findings on the preventive effects of male circumcision have led WHO and UNAIDS to recommend male circumcision as an additional intervention to reduce the risk of HIV infection, especially in settings with high rates of heterosexual HIV infection and low rates of male circumcision.

7. Increasing access to HIV treatment

58. In 2006, almost 700,000 people received antiretroviral treatment for the first time. By December 2006 it was estimated that over 2 million people living with HIV were receiving treatment in low- and middle-income countries, representing 28 per cent of the estimated 7.1 million people in need. Although trends vary between countries, evidence from over 50 low- and middle-income countries suggests that, overall, the ratio of men to women receiving treatment is broadly in line with regional HIV prevalence sex ratios.

59. Of the estimated 2.3 million children (aged 0-14 years) living with HIV in 2006, almost 90 per cent of them live in sub-Saharan Africa, with 780,000 projected to be in need of antiretroviral therapy. It is estimated that 115,500 children had access to treatment by the end of 2006, representing a coverage rate of about 15 per cent — considerably lower than the adult coverage rates. In comparison with UNICEF estimates of about 75,000 children on treatment in 2005, this nonetheless represents an increase of 50 per cent in the number of children in this region receiving treatment in 2006.

60. New global guidelines were published in 2006 by WHO on antiretroviral therapy for adults, adolescents, infants and children, prevention of mother-to-child transmission and patient monitoring for HIV care.

61. The World Bank, with WHO and the secretariat, co-sponsored a high-level meeting on Sustaining Treatment Costs — Who will Pay?, which brought together policymakers, economists, private industry, donors and people living with HIV to define the issues around the financial sustainability of AIDS treatment.

62. At the end of 2006, the President's Emergency Plan for AIDS Relief and the Global Fund to Fight AIDS, Tuberculosis and Malaria were the main external funding sources for treatment, jointly providing treatment to 1,265,000 people.

63. An analysis of prices conducted by the Global Price Reporting Mechanism for Antiretroviral Drugs at WHO shows that, depending on the regimen, the prices of most first-line antiretroviral drugs decreased by between 37 per cent and 53 per cent in low- and middle-income countries from 2003 to 2005, and by between 10 per cent and 20 per cent from 2005 to 2006. This has contributed significantly to the wider availability of treatment, but prices remain high in most Eastern European and Latin American countries.

64. As one of the areas highlighted in the Political Declaration of 2006, UNDP is building country capacity to adopt trade flexibilities in the use of intellectual property rights for access to affordable HIV treatment. Policy guidance and technical support have been provided to 28 countries in Africa, Asia, Latin America and the Caribbean, to develop enabling trade policies for sustainable access to AIDS

consultation was held with governments and key civil society representatives to develop a strategy and workplan and the assessment process was started. The outcome of this work will be presented to the Programme Coordinating Board at its 20th meeting in June 2008.

C. Monitoring and evaluation

71. The UNAIDS secretariat's Evaluation Department provides leadership at the global level in monitoring and evaluation through the multi-agency Monitoring and Evaluation Reference Group (MERG) and its Technical Working Groups (TWGs), and at the country level through its Monitoring and Evaluation Adviser Programme.

72. Over the past decade, and especially following the 2001 Declaration of Commitment, the global monitoring and evaluation community has taken an active role in supporting the development of standardized indicators for national-level monitoring of the HIV epidemic and the policy and programmatic response to it. This has led to the production and publication of a range of indicator guidance documents in key programmatic areas, which, together with increased funding and intense in-country efforts, have much improved the status of HIV monitoring.

1. Lessons learned

73. The production of the guidelines has resulted in the creation of a large number of indicators. Many countries have expressed a need for the global monitoring and evaluation community to provide advice on the selection of core indicators to help focus their data collection efforts. In response, UNAIDS, under the auspices of MERG, is supporting an ongoing multiagency effort to harmonize and prioritize existing HIV indicators. This effort aims to reduce the data collection and reporting burden through focusing on a core set of indicators, which monitor progress towards achieving the 2001 Declaration of Commitment, and has also involved the harmonization of indicators used for reporting to international donor agencies.

2. Monitoring and evaluating country responses

74. The establishment and maintenance of a comprehensive monitoring and evaluation system in each country is essential to obtain all necessary information for evidence-informed policy development, sound programme management, and continued programme improvement. A comprehensive monitoring and evaluation system requires an appropriate balance between routine monitoring and other essential monitoring and evaluation activities such as programme evaluation. UNAIDS provides continued support for enhancing monitoring efforts. In addition, it also provides technical support for the development and advancement of an evaluation agenda. This process is primarily aimed at increasing evaluation capacity in-country, which should inform a country's understanding of what is, and what is not, working in the areas of prevention, treatment and support.

75. A software package has been developed by UNAIDS, the Country Response Information System (CRIS), to facilitate reporting on countries' progress. CRIS supports reporting to other donors and in-country reporting and includes modules for indicators, research, and project or resource tracking.

3. Building national monitoring and evaluation capacity

76. In August 2004, UNAIDS established its first residential country-level technical staff programme and placed monitoring and evaluation advisers in 15 countries. That represented a significant step forward in strengthening country capacity in monitoring and evaluation and has now grown to over 50 country-level advisers and regional focal points. The main purpose of the monitoring and evaluation advisers is to support the strengthening of the "Three Ones", especially the development of a national monitoring and evaluation system. The advisers are also involved with the monitoring of progress towards achieving the targets in the 2001 Declaration of Commitment. That involves technical and coordination support to the national government in conducting national-level efforts to track the epidemic; monitoring the response; better strategies for understanding effective programming; and identifying and filling resource gaps in monitoring and evaluation. UNAIDS monitoring and evaluation advisers also play a key role in supporting the national capacity to design, plan, implement and report on effective programmes and coordinate a unified and harmonized national monitoring and evaluation system.

4. Epidemiology

77. Given the diversity of the global epidemic, with variations observed between and within global regions, countries and communities, it is important that policymakers, professionals and other stakeholders "know their epidemic" in order to ensure that the most appropriate programmes are in place.

78. The availability of regular and reliable estimates of HIV incidence and prevalence and deaths owing to AIDS is crucial to countries' ability to develop evidence-informed policies, design relevant programmes and interventions, mobilize resources and contribute to global reporting.

79. The UNAIDS Reference Group on Estimates, Modelling and Projections and the UNAIDS/WHO Working Group on Global HIV/AIDS and Sexually Transmitted Infection Surveillance both provide leadership and guidance on the global epidemiology and surveillance of HIV. WHO is the lead co-sponsor on HIV surveillance, supporting countries with implementation of surveillance tools and techniques, including sentinel surveillance and population-based surveys.

80. To support countries' efforts to improve data collection, analysis and use, the UNAIDS secretariat and WHO conducted 12 regional workshops between March 2005 and April 2006. Those workshops included the training of national analysts from over 150 countries, who are responsible for HIV estimates, in the use of specific analytic software systems and methodologies to produce national HIV prevalence and incidence estimates.

D. Civil society engagement and partnerships

81. Civil society organizations engaged in AIDS work range from networks of sex workers, men who have sex with men, and injecting drug users to representatives of other affected groups, including prisoners, displaced populations and refugees. They also include development and humanitarian organizations and agencies, AIDS service organizations, religious and faith-based communities, business, labour and

private sector coalitions, non-governmental organizations and youth, women's and other membership organizations. Organizations and networks of people living with HIV are crucial to all AIDS efforts, and UNAIDS promotes the need for them to be at the centre of AIDS action.

82. Since the 2005 report of its Executive Director, UNAIDS has intensified its efforts to involve civil society in the scale-up towards universal access services by 2010 and the attainment of Millennium Development Goal 6. In recognition of the vital role of civil society in the response to the epidemic, UNAIDS agreed on a civil society engagement strategy following broad consultation with co-sponsors, staff and civil society in August 2005, finalized in October of that year.

83. During 2006, UNAIDS invested significant effort in the support of meaningful civil society engagement in the consultative processes leading up to the High-Level Meeting on AIDS. More than 120 countries organized broad consultations to identify key actions to address major obstacles to scaling-up services, and most included some level of civil society engagement based on the "Three Ones" principles, a key role of civil society being to act impartially and broker space for the consideration of often excluded perspectives to be discussed during these multistakeholder consultations.

1. 2006 High-Level Meeting

84. Civil society participation was a key component of the 2006 High-Level Meeting. A 12-member Civil Society Task Force, facilitated and managed by UNAIDS, planned for the meeting, provided support during the sessions from 31 May to 2 June, held briefings for all civil society speakers and worked in partnership with others to orient civil society participants.

85. Nearly 700 civil society representatives attended the meeting in New York. Many of the groups and non-governmental organizations were able to register through their status as organizations accredited by the Economic and Social Council. The youth and the women's movements, along with AIDS and faith-based organizations, had particularly active participants. There was also reasonable representation and involvement from labour and private sectors. Most national delegations also included representatives of civil society and people living with HIV, increasing the number of civil society attendees to around 1,000.

86. Civil society participants appreciated the unprecedented opportunities for networking and engagement during the High-Level Meeting. However, some key civil society participants had anticipated stronger language in the final Political Declaration, particularly regarding treatment and vulnerable groups. Despite these concerns, there was still a sense among many civil society groups that the final Political Declaration did move the agenda forward on key issues, including reaffirming promises of the 2001 Declaration of Commitment on trade, women, resource needs, sexual and reproductive health and harm reduction. The contribution of civil society groups in this respect cannot be underestimated.

2. Other civil society initiatives

87. The work of UNAIDS with HIV-positive staff continued through 2006, as did the work to improve its internal structures in relation to civil society. For example, UNAIDS is seeking to strengthen the role of civil society in its own governance

structures through a review of the participation of NGOs/civil society in the Programme Coordinating Board. This review, started in 2006, has the potential to build on the foundation of 10 years of civil society participation in the Board, learn from other models of civil society participation in governance processes and strengthen future civil society participation on the Board.

88. While continuing support to a number of global, regional and national HIV-positive networks, UNAIDS identified a funding gap in this area: many donors seemed reluctant to support civil society groups of people living with HIV. UNAIDS convened a meeting between key networks and donors that has since resulted in bilateral funding for three key networks over a three-year period.

89. Ongoing support for building the capacity of civil society organizations remains a priority for UNAIDS. For example, a meeting of civil society focal points from the Secretariat, country and regional offices in September 2006 offered an opportunity to build the capacity of staff at all levels. In addition, UNAIDS produced the "Guidelines for Civil Society Engagement in the 'Three Ones'", which includes an emphasis on organizational development, skills building for civil society organizations and identification of resources.

E. Resource mobilization

90. Promoting and coordinating resource mobilization has always been a responsibility of the Joint Programme. As available funding has increased, tracking resources and promoting their optimal use and effectiveness — "making the money work"— has become equally important.

91. The three largest contributors to the response in terms of money are the President's Emergency Plan for AIDS Relief, the Global Fund to Fight AIDS, Tuberculosis and Malaria and the World Bank through the Multi-country AIDS Programme.

92. At the country level, UNAIDS has supported proposal development for the Global Fund, and to date has responded to every request for assistance received. Support is channelled through the United Nations Theme Group on AIDS or the Joint United Nations Team. UNAIDS country coordinators, WHO representatives and other co-sponsor representatives work together to support the national partners to develop their proposals.

93. UNDP has an important collaboration with the Global Fund in developing capacities of national stakeholders to implement Global Fund grants. In circumstances where there are no suitable national principal recipients, countries have requested UNDP to assume that role and provide financial and programmatic oversight for Global Fund grants. UNDP is currently Principal Recipient in 24 countries, managing 58 grants.

94. The UNAIDS secretariat monitors the amounts of funds coming from donors to determine the level of international financial flows. It also assists countries to track resource flows within a country to determine how the funding is spent and who are the beneficiaries. Measuring how much was mobilized and comparing these figures with the estimated resource needs helps to define the funding gap globally but also for specific activities. By providing and supporting adequate monitoring

and tracking of resources, more accurate estimates can be calculated, which in turn can be used for global advocacy and fund-raising purposes.

III. Recommendations and proposed actions for the Economic and Social Council

95. **The Economic and Social Council may wish to consider the following actions:**

(a) **Commend the steps taken by the Joint United Nations Programme on HIV/AIDS (UNAIDS) in moving towards universal access to prevention, treatment, care and support, and the 2007-2010 Strategic Framework, endorsed by the Programme Coordinating Board at its 19th meeting, as the principal guide to global, regional and country-level planning, budgeting, implementation and monitoring of progress of the Joint Programme's support to countries efforts to move towards the goal of universal access from 2007 to 2010;**

(b) **Encourage the commitment to strengthen the United Nations response to AIDS at the country level, the UNAIDS Technical Support Division of Labour, and the concept of a joint United Nations team and programme on AIDS with the aim of harmonizing technical support, strengthening programmatic coherence and improving collective accountability of the United Nations system at the country level;**

(c) **Acknowledge the insidious and persistent drivers of the epidemic, in particular stigma, discrimination, gender inequality and lack of respect for human rights, and encourage intensified advocacy by the Joint Programme to ensure that these underlying obstacles to universal access are addressed at all levels;**

(d) **Acknowledge the importance of prevention in the response to AIDS and commend the Joint Programme for its role in the "Uniting for HIV Prevention" campaign and support the drive for more relevant and specific targets for prevention at the national level in the move towards universal access, as iterated by the Executive Director of UNAIDS at the 19th meeting of the Programme Coordinating Board;**

(e) **Encourage the efforts towards harmonization, alignment and "making the money work" between and among development partners, as led by the Global Task Team, and support the continued building on the "Three Ones" principles as the framework for the response to AIDS at the country level.**

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Report of the Ad Hoc Advisory Group on Guinea-Bissau

Summary

In response to Economic and Social Council resolution 2006/11, by which the Council extended the mandate of the Ad Hoc Advisory Group on Guinea-Bissau, the present report provides an overview of current developments in the country, including the overall economic and social situation. It also describes the highlights of the work of the Group since its last report (E/2006/8), the current status of international donor support for the country, and provides the short-term priorities and medium-term perspective on the country from the point of view of the Group. It makes some general conclusions and recommendations, including that Guinea-Bissau should continue to receive sustained attention from the international community. The Group encourages the Government of Guinea-Bissau to strengthen its commitment to economic reforms and urges donors and other partners to support the country's economic recovery and reconstruction.

* E/2007/100.

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I. Introduction

1. In its resolution 2006/11, the Economic and Social Council decided to extend the mandate of the Ad Hoc Advisory Group on Guinea-Bissau until its substantive session of 2007. The present report describes the situation in Guinea-Bissau and provides highlights of the work of the Group over the last year. The report also describes international donor support to Guinea-Bissau and draws conclusions and recommendations from the Group's unique perspective on how the international community can continue to provide support.

2. Since the last report of the Advisory Group to the Council (E/2006/8), economic recovery and reconstruction continue to be undermined by political instability. The country has been affected by tensions among the major political parties. The return of former President Kumba Yala from exile to retake the leadership of the Party for Social Renewal and the withdrawal of his support for the Government, along with the breakdown of the Fórum de Convergência para o Desenvolvimento, from which the members of the new Government of November 2005 had been drawn, led to a marked increase of tensions. The killing of the former Navy Chief of Staff, Lamine Sanha, a key figure from the country's civil war, and the attempted arrest of Carlos Gomes Junior, the former Prime Minister, in January 2007, added to an atmosphere of uncertainty and crisis.

3. A new crisis erupted on 19 March 2007 when a new coalition of parties within the Parliament passed a motion of no-confidence against Aristides Gomes, the Prime Minister, who had been in office since November 2005. On 29 March 2007, after the consideration of the report of the Secretary-General to the Security Council (S/2007/158), a press statement was issued by the Council urging the parties to resolve their differences through dialogue and strict respect for the constitutional framework. After three weeks of political uncertainty, on 11 April 2007, Martinho Dafa Cabi, a vice-president of the former ruling African Party for the Independence of Guinea-Bissau and Cape Verde, was appointed by President Viera as the new Prime Minister. This was followed on 17 April 2007 by the appointment of the other members of the Government. The Group is also hopeful that this new start will be used by all national stakeholders as an opportunity to achieve political and institutional stability.

4. A new issue of concern to the Advisory Group is a marked increase in drug trafficking. The Government has reported major drug seizures over the past year and the recently installed new Government has identified the control of drug trafficking as one of its priorities. Fears are being expressed that the increasing use of Guinea-Bissau as a transit point for drugs could further weaken the State and increase control of state institutions by criminal gangs. The Government's inability to control the country's borders has facilitated the use of its territory as a transit point. The Government clearly does not have the physical capacity or resources to mount an effective campaign against organized crime. The Group encourages the United Nations Office on Drugs and Crime, which has already undertaken two missions, the most recent of which was in early March 2007, to work closely with the Government in addressing this alarming problem. The Group also welcomes the decision of the United Nations Development Programme (UNDP) to provide funds to put in place a senior technical expert on drugs and organized crime who could provide advice to the Government, but also calls on the international community to support the State in confronting this new challenge.

5. The Advisory Group is pleased to report that a new group has been launched to mobilize support for Guinea-Bissau. The International Contact Group on Guinea-Bissau was launched on 20 September 2006 and held its first meeting on the margins of the opening of the sixty-first session of the General Assembly. The Contact Group has since visited Guinea-Bissau and held a second meeting in Lisbon on 26 March 2007. The objective of the Contact Group is to mobilize international political, socio-economic, security sector reform and diplomatic support. The members of the Contact Group include Angola, Brazil, Cape Verde, France, Ghana, Niger, Portugal, Senegal, Spain, the Community of Portuguese-Speaking States, the Economic Community of West African States (ECOWAS), the European Union and the West African Monetary Union.

6. The overall assessment of the Advisory Group is that Guinea-Bissau continues to experience "growing pains" in consolidating gains in its post-conflict transition and needs the full engagement of both the regional and international communities. Recent developments point to the likelihood that political and institutional instability will continue in the near term. However, the Group is convinced that the country's prospects for stability are improving, as evidenced by the fact that all parties in Guinea-Bissau have used legal and constitutional means to address their concerns. It is also noteworthy that demonstrations have not led to widespread violence and that military intervention was avoided. The Group also notes the reappointment of the former Minister of the Economy as the new Minister of Finance, which should serve to reassure the donor community of the Government's intention to continue the economic reforms required to secure an International Monetary Fund (IMF) emergency post-conflict assistance programme. The Group would like to draw the attention of the Council to the fact that the continuing inability of the Government to finance the minimum functioning of the State will continue to generate insecurity and instability in the country.

II. Economic and social situation

7. Since its last report, the Advisory Group notes that the economic and social situation in the country has continued to deteriorate. Estimates from IMF show that, in 2006, economic growth declined to approximately 1.8 per cent, compared to 3.5 per cent in 2005. This rate of growth compares to 5.7 per cent for Africa as a whole in 2006 and 5.2 per cent for sub-Saharan Africa.[1]

8. The recent pace of economic growth has not been sufficient to slow the deterioration of living conditions in the country, taking into account the estimated demographic growth rate ranges of between 2 and 3 per cent. Guinea-Bissau, like the majority of African countries, appears unlikely to increase and sustain the growth rate of 7 to 8 per cent that would be required in order to achieve the Millennium Development Goals by 2015.

9. The cause of slowing economic growth was attributed by IMF to deteriorating terms of trade resulting from a dramatic rise in oil prices and a significant drop in the export of cashew nuts. That drop is attributable to lower world prices and changes in the internal marketing arrangements for the product. Cashew nuts are the country's largest export product and responsible for around 30 per cent of its gross

[1] http://www.uneca.org/era2007.

domestic product (GDP). The increase in the reference price for cashews from 150 CFA francs (0.50 United States dollars ($)) to 350 CFA francs ($0.70) set by Government producers for calculating taxes on cashew exports, combined with lower world prices, led to a drop-off in the amount of cashew nuts purchased by international traders. The Food and Agriculture Organization of the United Nations (FAO) estimates that it is likely that only 60 per cent of the crop was exported during the reporting period.

10. Since the Group's creation, the Government has continued to struggle to pay civil service salaries and accumulated arrears. For the period covered by the present report, the Government has been unable to generate adequate revenues owing to lower-than-expected taxes on cashew exports and fees from fishing licenses. This is partly a result of weak enforcement of illegal fishing in its 500-kilometre-long coast of territorial waters. The negotiation over a new five-year agreement between Guinea-Bissau and the European Union on the granting of fishing rights in its territorial waters in return for annual financial compensation has been stalled owing to disagreements on compensation package. The delay in reaching an agreement has had a significant impact on the Government's revenue stream, as the annual compensation for 2007 ($9 million) has not been paid. This has resulted in a financing gap for 2007, which is larger than that which had been presented to donors at the round-table conference held in November 2006. Fees from fishing licenses account for 45 per cent of the Government's total revenues.

11. A number of strikes by trade unions and military veterans have affected the public sector throughout the past year. The demands by teachers related to contracts, salaries, payment of arrears and related subsidies led to a delay in the start of the 2006-2007 school year by two months, a continuation of the trend the Group has observed since the beginning of its mandate. The lack of salaries, combined with the crisis in the cashew market,[2] has had a negative impact on food security. The World Food Programme (WFP) and the United Nations Children's Fund (UNICEF) have noted the deterioration in the nutritional situation of the country, especially among children under five. Malnutrition in the country now exceeds the World Health Organization (WHO) "emergency threshold".

12. The Government has responded as it has in the past to funding salaries and arrears through short-term loans at commercial rates from banks in neighbouring countries and by issuing treasury bonds to pay salaries and arrears up to the period ending December 2006 in an attempt to alleviate social pressures. However, this temporary solution is not sustainable and adds to the Government's debt burden. At the time of writing of the present report, salaries and arrears had not been paid since January 2007. The Government has also sought to improve the situation by lowering import taxes for basic food items to reduce the price for consumers. Reports from civil society organizations seem to suggest that this strategy has not been successful. Indeed, prices have not fallen and the perverse effect has been to reduce State revenue further, compromising the ability of the Government to meet its wage bill.

13. On the expenditure side, IMF reports that while the country's wage bill was lower in 2006 than in 2005, non-wage expenditures were higher than programmed levels. The Treasury Committee, which manages expenditure on behalf of the

[2] Approximately 85 per cent of the population relies on growing cashew nuts for at least part of their income.

Ministry of Finance, did not play its supervisory role in the latter part of 2006. The Government of Guinea-Bissau has agreed with IMF to undertake a number of measures aimed at increasing revenues while restraining expenditure, including limiting Government intervention in the local marketing of cashews, lowering the reference price for calculating cashew export taxes, limiting discretionary spending and strengthening the functioning of the Treasury Committee. The Advisory Group strongly recommends that the new Government move quickly to restore the role of the Treasury Committee in relation to government finances, as recommended in the World Bank and IMF action plan. The action taken by the new Government in relation to setting a new price for cashew nuts could also help to improve the macroeconomic situation in 2007.

III. International donor support to Guinea-Bissau

14. As the Advisory Group has noted in previous reports, international donor support continues to remain critical in helping the Government of Guinea-Bissau to meet its short-term priorities, that is, the payment of salaries, including arrears, and implementing its longer-term goals of economic recovery and reconstruction as it tries to consolidates peace. In this connection, the Group is pleased that the donor round-table conference, which had been postponed on several occasions, was finally held in Geneva, on 7 and 8 November 2006.

15. With regards to security and development, the Government of Guinea-Bissau presented its poverty reduction strategy paper, its security sector reform plan and its 2006 and 2007 draft budget, which, combined, totalled for $538 million. The priorities, as outlined by the Government in its poverty reduction strategy paper, are, namely, (a) strengthening governance, modernizing public administration and enhancing macroeconomic stability; (b) promoting economic growth and job creation; (c) improving access to basic social services; and (d) improving living conditions for vulnerable groups.

16. The security sector reform plan is based on the following strategies: (a) resizing the defence and security sector to bring it in line with the country's needs and economic capacities; (b) modernizing the sector in line with its role; (c) clarifying the status of former national freedom fighters; (d) strengthening the participation of the sector in consolidating subregional security; (e) building capacities and enhancing efficiency in the justice sector; (f) mobilizing national and international resources for investment in the sector; and (g) involving civil society in the implementation of reform in the sector.

17. While the Advisory Group welcomes the contributions pledged by donors at the round-table conference, it is worthwhile to note that the commitments mobilized fell short of the Government's goal of $538 million. Donors contributed a total of $262.5 million (or 48 per cent of the funds requested, including $233.1 million to support the implementation of the poverty reduction strategy papers) and $29.5 million for budgetary support for 2006 and 2007. No pledges were made with respect to the security sector reform plan. The bulk of contributions for implementation of the poverty reduction strategy papers came from the European Commission, which pledged $118.5 million, or 50 per cent of the total amount received, most of which will be available in 2008. Brazil was the next largest contributor, with $27.6 million, followed by Spain ($18.75 million), Portugal

($17.0 million), the World Bank ($16.5 million), the African Development Bank ($14.5 million), the West African Monetary Union ($15.5 million) and the Central Bank of West African States ($10.25 million). The Group was particularly pleased that a number of new donors also pledged budgetary support, including Japan ($5 million), Morocco ($.25 million), South Africa ($1.9 million) and Spain ($2 million).

18. Despite the pledges made at the conference, Guinea-Bissau has been unable to clear its fiscal gap for 2007. So far, only approximately 18 per cent of the pledges have been disbursed for budgetary support. Pledges delivered so far include the following: France ($0.6 million); Portugal ($1 million); and Spain ($2 million). The West African Monetary Union disbursed $2 million out of a $6 million pledge for budget support in 2006 and 2007; the Economic Community of West African States released $3.5 million out of a total pledge of $7.5 million. So far, no pledges have been disbursed for the implementation of the poverty reduction strategy papers and no additional pledges have been made for the security sector reform. As a result, Guinea-Bissau was unable to secure a commitment from IMF to submit a programme to its Executive Board for emergency post-conflict assistance. Such a programme, which would require first that the fiscal deficit for 2007 be cleared, would lead to the establishment of a poverty reduction growth facility with IMF and, if successfully completed, to a completion point and full debt relief under the enhanced Heavily Indebted Poor Countries Debt Initiative.

19. One of the key factors affecting the disbursement of pledges was the decision taken by the World Bank in December 2006 not to proceed with budget support and a World Bank-financed multi-sector infrastructure rehabilitation project, which was approved in June 2006. The World Bank's decision was taken when it became aware that the Government had signed a joint venture and power purchase agreements in June 2006 with a foreign energy company that was inconsistent with the Government's sector policy letter. That letter had served as a basis for the re-engagement of donors in the energy sector. Following an intensive dialogue with donors and the Bank, the Government of Guinea-Bissau decided in January 2007 to terminate both agreements in order to proceed with the signing of the multi-sector infrastructure rehabilitation project financing agreement and to provide evidence of this to the World Bank. In the light of the urgent power needs and the crisis in the country's energy sector, the Bank sent a mission to Guinea-Bissau to discuss options for rapidly providing financing to the electricity sector once the governance issue was resolved. Following the nomination of the new Government, the Bank is planning to send a mission to Guinea-Bissau in early May 2007 with a view to rapidly re-engaging in policy dialogue. Given the country's critical financing needs, the Group urges the Government to demonstrate its commitment to transparent and sound public expenditure management and to implement, with the World Bank and other donors, the recommendations of the country's integrated financial management and procurement assessment and the public expenditure review discussed with the Government, for which an action plan has been jointly prepared.

20. Based on the position of the World Bank and the lack of firm assurances from donors that the financing gap for 2007 would be covered, IMF decided to postpone its mission to Guinea-Bissau. Other partners have also suspended disbursements pending a successful conclusion of the IMF mission. IMF will now visit Guinea-Bissau in May 2007 to hold annual article IV consultations and discuss the emergency post-conflict assistance programme. The Group welcomes the

willingness of the World Bank and IMF to re-engage with Guinea-Bissau and strongly urges both the Government and the Bank to work towards finalizing issues related to the multi-sector infrastructure rehabilitation project so that the process of re-engagement with the donor community can resume and pledges can be disbursed.

21. Another key factor affecting the disbursement of pledges was the difficult political climate in the country shortly after the conclusion of the donor round-table conference. The disagreements within the ruling coalition and the other events that took place in the period leading up to the resignation of the previous President and the installation of the new President contributed to delays in re-starting policy dialogue with the World Bank, IMF and other donors, with subsequent delays in disbursements.

22. The Advisory Group has consistently urged an expansion of its partnership with Guinea-Bissau. For this reason, the Group had invited representatives of non-traditional donors to one of its meetings leading up to the donor round-table conference. In addition to the pledges made by the new donors identified above, the Government of China signed a technical cooperation agreement with Guinea-Bissau during the visit of the Chinese Minister for Foreign Affairs to the country on 3 and 4 January. In addition to the $8 million agreed to in 2006 for the construction of a Government secretariat, the Chinese Government has also agreed to provide $4 million for infrastructure projects and has indicated an interest in boosting its cooperation in agriculture. The Export-Import Bank of India has also extended a line of credit of $25 million to the Government of Guinea-Bissau.[3] The line of credit, extended under the Indian Techno-Economic Approach for Africa-India Movement (team-9) initiative, would finance India's exports to Guinea-Bissau for the execution of projects in electricity, food processing and agriculture.

23. The United Nations system, for its part, continues to provide support to Guinea-Bissau. In the area of food security, WFP, FAO and the Government have supported food-for-work schemes to rehabilitate rice fields to compensate for the loss of rice cultivation in 2005 and for the loss of income arising from lower cashew prices and sales in 2006. Relief agencies, including WFP, provided over 1,000 tons of food aid in 2006.

24. In the area of education, UNICEF developed a special programme to reintegrate children and teachers in schools affected by the military conflict in the north of Guinea-Bissau earlier in 2006. UNDP, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and UNICEF are also supporting the development of a national education plan, which was started in November 2006.

25. In the area of health, UNICEF, WHO and national and international non-governmental organizations launched a joint effort with the Ministry of Health in November 2006 to organize a country-wide distribution of treated mosquito nets, targeting 187,000 children under the age of five. The campaign also provided children with vitamin A supplements and treatment for intestinal worms. Guinea-Bissau will receive $3.4 million over a period of three years from the Global Fund to Fight AIDS, Tuberculosis and Malaria. In October 2006, UNICEF, the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Ministry of Health launched a paediatric antiretroviral programme for 1,500 children affected by HIV/AIDS. The five-year national strategic plan for HIV/AIDS control was

[3] http://www.eximbankindia.com/locstat07.pdf.

approved in early December 2006. This was followed in January 2007 with the launch of the development of a national health plan for the period 2008-2012 supported by WHO, the United Nations Population Fund (UNFPA) and UNICEF.

26. A number of specific commitments were made by United Nations system entities at the donor round-table conference. The representative of the International Fund for Agricultural Development (IFAD) indicated that the Fund had reactivated its portfolio of $270,000 to support activities to strengthen rural development in 2005 and would present a new rural investment programme to its Board in April 2007.[4] The programme was in line with IFAD support to post-conflict countries and would be implemented over a period of six years. IFAD had also taken the decision, on an exceptional basis, to freeze Guinea-Bissau's debt until the country reached the completion point under the Heavily Indebted Poor Countries Debt Initiative.

27. The representative of the United Nations Industrial Development Organization (UNIDO) reiterated the commitment of the organization to supporting the country in the area of economic growth and employment, particularly in regards to the priority sectors of fisheries, cashew nuts, cotton and fruits and vegetables. UNIDO planned to increase its support to Guinea-Bissau through its regional programme for the countries of the West African Monetary and Economic Union financed by the European Union and would field a mission to the country in 2007 to define its future programme of support.

IV. Highlights of the activities of the Ad Hoc Advisory Group on Guinea-Bissau

28. To encourage strong participation in the donor round-table conference scheduled for early November 2006, a meeting of the Advisory Group was held on 27 September 2006 on the margins of the sixty-first session of the General Assembly. The meeting was open to members of the Group of Friends of Guinea-Bissau and a number of potential new partners for the country. The President of the Economic and Social Council, Ali Hachani, also participated in the meeting. The meeting was chaired by Dumisani Shadrack Kumalo, Permanent Representative of South Africa and Chairman of the Ad Hoc Advisory Group, and briefed by Antonio Isaac Monteiro, Minister for Foreign Affairs of Guinea-Bissau.

29. Mr. Monteiro pointed to a number of economic vulnerabilities that continued to affect the country, including the Government's inability to consistently pay the salaries of civil servants and military officers in a timely fashion and its inability, for financial and capacity reasons, to adequately protect its maritime borders from illegal fishing and drug smuggling. In this context, he urged donors to participate in the donor round-table conference and to finance the institutional capacity-building necessary to bring economic and political stability to Guinea-Bissau. Participants expressed the view that the round-table conference would be a major turning point for the consolidation of peace and development in the country. In this regard, the importance of funding human and institutional capacity, including the administrative, judiciary and legislative sectors, was stressed, as was security sector reform.

[4] http://www.ifad.org/operations/pipeline/pa/gw.htm.

30. The Chairman of the Advisory Group represented the Group at the donor round-table conference, held in Geneva on 7 and 8 November 2006. In his statement to the conference, the Chairman urged donors to pledge resources for the economic recovery and reconstruction of the country. He recalled that Guinea-Bissau was still confronting deep social, economic and security issues of a structural nature. For that reason, the country needed to equip with the tools to address the structural causes of conflict, which in his view, were rooted in the socio-economic conditions of the country. On behalf of the Group, the Chairman also called for strong support for security sector reform as a way of ending the cycle of military intervention in the country and promoting long-term security.

31. Concerned about the deteriorating economic and social situation in the first quarter of 2007, the members of the Advisory Group met on 29 March 2007 to discuss the socio-economic challenges facing the country. The Group was joined in this meeting by representatives from Angola, Cape Verde, the Gambia, Guinea and Senegal, and included representatives of IMF and the World Bank. The Group was briefed by the Minister for Foreign Affairs, Isaac Monteiro, on developments in the country and their impact on prospects for development.

32. The Group welcomed and endorsed the communiqué issued by the International Contact Group on Guinea-Bissau at its second meeting, held in Lisbon on 26 March 2007, and stressed the importance of an orderly political evolution in Guinea-Bissau, in accordance with the procedures and requirements contained in the Constitution. The Group also expressed confidence that Guinea-Bissau will rapidly overcome the present difficulties and, in that regard, was encouraged by the way the situation was evolving. The Group also expressed its willingness to discuss the continuation of the reform programmes with the authorities of Guinea-Bissau, in particular with regard to the administration, defence and security sectors, in order to ensure that Guinea-Bissau was in a position to receive the international assistance it urgently needed. Members of the Group called upon the international community to promptly disburse the pledges that had been made at the donor round-table conference.

V. Short-term priorities and medium-term prospects

33. The most urgent need facing Guinea-Bissau is the disbursement of funds pledged at the 2006 donor round-table conference, in particular the pledges for budgetary support for 2007, including the additional amount now required. Salaries and arrears have not been paid since January 2007, and the country is experiencing political instability and uncertainty. The Advisory Group welcomes the formation of the new Government and its emphasis on national reconciliation and believes that this is an opportunity to strengthen political and institutional stability in the lead-up to the legislative elections to be held in March 2008 and the presidential elections to be held in 2010. The Group is also encouraged by the fact that the new Prime Minister has taken decisive action to increase transparency in the management of public finances, and encourages further action in this regard. Such efforts should help to increase the confidence of donors and lead to the disbursement of the funds pledged at the donor round-table conference.

34. The report of the Group in 2006 pointed to the need for short-term solutions to help the country manage its unsustainable debt. The Government's use of costly

short-term debt to fund recurrent costs such as salaries and arrears, while waiting for the disbursement of budgetary support, adds to the growing debt burden of the country. The debt situation is further complicated by the fact that the failure of the Government to make a scheduled repayment on 31 January 2007 to the African Development Bank has now resulted in the suspension of disbursements from that institution.

35. Another critical short-term need is the implementation of security sector reform. The Advisory Group notes that grievances relating to the Government's inability to pay salaries and arrears to the rank and file of the military, in addition to the poor conditions of the barracks and other inadequate conditions of service, remain. This is a source of grave concern. The Group urges the Government of Guinea-Bissau to finalize its security sector reform action plan for 2007 so that donors will have a framework from which specific areas of need can more readily be identified. In the view of the Group, security sector reform is imperative as a way to consolidate peace, as it would address one of the key structural causes of conflict in the country.

36. Progress over the medium-term requires that funds pledged for the implementation of the national poverty reduction plan be disbursed. So far, none of the pledges made for the implementation of the poverty reduction strategy papers have been received by the Government. That uncertainty in financing undermines the ability of the Government to implement its economic reform programme, continuing the vicious circle of low performance and declining donor assistance. The inability of the country to receive a predictable and adequate amount of resources to ensure the delivery of basic services and to ensure the minimum functioning of the State will continue to contribute to the sense of uncertainty and insecurity.

37. The Advisory Group once again stresses that putting Guinea-Bissau on a path of internally driven, sustainable development will require a comprehensive economic diversification strategy, supported by the international community, including the United Nations system. The Group urges the Government of Guinea-Bissau and the international community to consider beginning an economic diversification, with cashew nuts, the main export crop, which are mostly sold in raw form, reaping minimum returns for farmers and the national economy. Despite being the second largest cashew nut producer in Africa and the fifth largest in the world, only a tiny fraction of the nuts go through the simple but labour-intensive roasting and peeling process that makes them edible and quadruples their export value.[5] Increasing the premium value of the crop would create jobs and spur development. As noted in previous reports of the Group, the country has enormous potential in bauxite, phosphate, diamond, oil, timber, fisheries, husbandry and agriculture, which could easily satisfy internal demand and become a catalyst for economic recovery and reconstruction.

38. Another critical challenge facing the Government of Guinea-Bissau over the past years has been poor management in its public administration. As the Group has previously noted, there has been significant improvement in the management of public funds. The Group is concerned that further progress could be hampered by a lack of technical capacity within the public sector and continues to urge the Bretton

[5] It is worth noting that a kilogram of organic cashews sells for $30 in some developed countries.

Woods institutions, the United Nations system and other multilateral organizations to provide technical assistance to the country in strengthening its public administration. Such a plan is embedded in the poverty reduction strategy plan and should be supported.

VI. Conclusions and recommendations

39. Guinea-Bissau continues to face serious challenges, which should be addressed on an urgent basis if violent conflict is to be avoided. The Advisory Group continues to believe that it is possible to overcome these difficulties and maintain momentum on economic and political reform with the sustained engagement of all partners, old and new. The Group is particularly encouraged that the relatively new multi-party system has been able to resolve political crises within the framework of democratic institutions and the Constitution. The Group strongly encourages the Government of Guinea-Bissau to strengthen its commitment to economic reforms and to full transparency and accountability in the management of public administration. Support from the international community is now urgently needed to help consolidate these gains and to activate a long-overdue process of economic growth. In this connection, the Group points to the commitments made by a number of partners to double aid to Africa over the next 10 years. The Group also takes note of the revitalization of Asia-Africa and South-South cooperation. Additional resources should benefit countries like Guinea-Bissau as a least developed country and a country emerging from conflict.

40. In the light of the recent difficult circumstances in the country, the Advisory Group is of the view that it would be useful to continue to monitor the situation, in particular the close link between emergency economic needs and political instability, and to continue to work with other partners to ensure that there is a comprehensive approach that integrates peace and development. It is clear that the continuing tension and instability in the country have led to the delay in the implementation of the tasks assigned to the Group and that the completion of any of these tasks is dependent on the existence of a stable political and institutional environment, for which the upcoming legislative elections in March 2008 are a prerequisite.

41. The Advisory Group also believes that there is room to further expand its interaction with national authorities and its collaboration with other organizations in support of Guinea-Bissau. As has been noted in previous reports, the regional organizations in Africa have played an important role in the political and financial stabilization of Guinea-Bissau. However, owing to time and resource limitations, the Group did not engage in a systematic exchange of views with national authorities or with regional organizations, including ECOWAS and the Community of Portuguese-Speaking Countries. More systematic consultations with these and other organizations, including regional financial institutions such as the African Development Bank and the Central Bank of West African States, could have further enhanced the Group's contribution. In this connection, the Group welcomes the creation of the International Contact Group for Guinea-Bissau and looks forward to a close working relationship at the global level. The two Groups can benefit from regular interaction. To facilitate this interaction, the Council may wish to consider adding one or two new members to the Ad Hoc Advisory Group, drawn from the Contact Group.

42. In conclusion, the Advisory Group would like to draw the attention of the Council to the importance of a coherent international response to countries in crisis. In this regard, there may be opportunities for the sharing of experiences and views between the Economic and Social Council and the Security Council on the way forward in Guinea-Bissau, with a view to placing it on the agenda of the Peacebuilding Commission, if the country so wishes.

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Report of the Secretary-General

Summary

The present report provides an overview of key emerging issues and challenges facing a rapidly urbanizing world. These issues are further analysed in terms of their consequences for attaining the commitments of the Habitat Agenda and relevant internationally agreed development goals. The report highlights some of the key outcomes and activities undertaken by the United Nations Human Settlements Programme (UN-Habitat) to enhance the coordinated implementation of the Habitat Agenda. It assesses key obstacles to more effective response and proposes recommendations for the way forward.

The report recommends that urgent action be taken to mainstream sustainable urbanization and urban poverty reduction in the national development strategies. It calls for the revitalization of National Habitat Committees to mainstream the monitoring and implementation of the Habitat Agenda within national development plans and poverty reduction strategies. It encourages review of macroeconomic policies that favour pro-poor investment in housing and urban development, not only as a means for addressing the social consequences of rapid urbanization, but also for stimulating local economic development and employment generation. This would contribute to achieving the Millennium Development Goals at the city level. The report addresses also the need for a more effective institutional machinery to enhance system-wide coordination and a coherent strategic response by the United Nations system and all Habitat Agenda partners to the multifaceted challenges posed by rapid urbanization and overall implementation of the Habitat Agenda and related internationally agreed development goals. It also recommends that sustainable urbanization be introduced as a standing item of the agenda for the high-level discussions on sustainable development.

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I. Introduction

1. The present report has been prepared pursuant to paragraph (c) of Economic and Social Council decision 2006/247.

II. Issues and consequences of rapid and chaotic urbanization

2. The year 2007 marks a turning point in human history. For the first time, half of humanity will be living in towns and cities. This figure is projected to reach two thirds by 2030. This rapid and irreversible progression towards an urban era brings with it many opportunities. Cities, especially in a globalized world economy, are the engines of growth, international trade and commerce, tourism and value-added services.

3. This progression also brings a wide range of social, economic and environmental problems. Urbanization brings about irreversible changes in consumption and production patterns. These changes include the way we use land, water and energy. Urbanization also brings about changes in the quantity and toxicity of the waste we produce. In developed countries, urban growth no longer implies migration of people to cities. It is, however, characterized by urban sprawl and the intensive use of energy. While cities only occupy just over 2 per cent of land, they currently produce 70 per cent of waste and account for an equal proportion of greenhouse gas emissions associated with climate change.

4. However, 95 per cent of urban growth is taking place in developing countries, and 2007 will also be the year in which the global number of slum-dwellers is forecast to reach the 1 billion mark. If current trends continue, this figure will increase by another 400 million by 2020.

5. The vast majority of these 1 billion slum-dwellers, or one out of every three urban dwellers, lives in life-threatening conditions. They lack safe housing, access to water and sanitation, modern energy supply and waste collection and disposal.

6. Two UN-Habitat flagship reports published in 2006 revealed the scale and depth of the challenges facing rapidly urbanizing countries. The first report, entitled *Water and Sanitation in the World's Cities*, revealed that small towns and secondary cities, which are the fastest growing, are the least equipped to meet the water and sanitation needs of their rapidly expanding populations. The lack of planning and investment capacity and the fragility of service provision are major contributing factors to poor health and local pollution.

7. The second flagship report, *The State of the World's Cities Report 2006/2007*, revealed for the first time the true extent of deprivation among the urban poor. The findings of this report are significant on several fronts. They demystify a long-standing assumption that the urban poor, by virtue of their location in better-equipped urban areas, are better off than their rural counterparts. The report provides evidence that living conditions in slums are as bad if not worse than living conditions in impoverished rural areas. Slum-dwellers are just as likely to suffer from hunger, malnutrition and disease as their rural counterparts. Women living in slums run the highest risks of HIV prevalence compared to all other segments of the population. Child mortality in slums is consistently high in all developing countries, even in those countries with concerted policies and strategies for reducing child

mortality. In many slums, especially in sub-Saharan Africa and parts of South Asia, up to 300 people share a single toilet, a situation that has a direct impact on the dignity, safety and health of all the population, particularly of women.

8. Parallel studies on urban safety in slums and deprived neighbourhoods show that crime, drugs, violence and sexual abuse are daily realities which are underreported and overlooked by official statistics. Furthermore, when human and natural disasters strike, the urban poor are disproportionately and adversely affected. Those living in slums and deprived neighbourhoods are, by virtue of their predominant location in precarious or poorly planned areas, the most vulnerable in terms of flooding, landslides and fire hazards.

9. The combination of high levels of unemployment, underemployment and the reliance of the urban poor on monetary means of accessing food and basic services also makes them particularly vulnerable to the income poverty trap and less resilient than their rural counterparts.

10. Two trends that emerge from *The State of the World's Cities Report* are particularly worrisome. The first trend lies in the fact that the global rate of growth of the urban population, estimated at 2.24 per cent, is virtually synonymous with slum growth, which is proceeding at the rate of 2.22 per cent. Regional variations in urban and slum growth are significant, ranging from 0.75 per cent and 0.72 per cent in the developed world, to 2.89 per cent and 2.2 per cent in South Asia, 2.96 per cent and 2.71 per cent in West Asia, and 4.58 per cent and 4.53 per cent in sub-Saharan Africa. These figures could imply nonetheless that a significant portion, if not the vast majority, of people migrating to or born in cities are joining the ranks of the urban poor.

11. The second trend stems from an assessment of progress in attaining the slum upgrading and slum prevention goals. Of more than 100 countries surveyed, only eight countries can be considered on track, having made tangible progress in reversing the rate of slum growth and having reduced the number of slum dwellers. Another 15 countries are making modest headway either in reducing or stabilizing the growth of slums. Fifty of the countries surveyed are off track and continue to witness the rapid proliferation of slums.

12. The implications of the above-mentioned and other findings are clear. We can no longer ignore the urbanization of poverty and deprivation. We do so at the risk of not achieving the internationally agreed development goals on hunger and malnutrition, reproductive health and infant mortality, HIV/AIDS and other diseases, water and sanitation, and gender equality for a significant and increasing portion of the poor. We also do so at the risk of massive social deprivation and exclusion, with all of its attendant consequences for peace, social stability and security.

III. Forging a more effective and coordinated response

13. The conclusions of the above seminal findings on the urbanization of poverty and deprivation led UN-Habitat to refine its role and strategy. Throughout the reporting period, UN-Habitat engaged in the preparation of a medium-term strategic and institutional plan for 2008-2013 involving extensive consultations with development partners, United Nations bodies and member States. The objectives of

this plan are to contribute to United Nations system-wide reform and coherence by enhancing the catalytic and coordinating role of UN-Habitat in the monitoring and implementation of the Habitat Agenda and related internationally agreed development goals.

14. The major thrust of the plan is an integrated approach to support Governments and their development partners in mainstreaming the sustainable urbanization and urban poverty reduction in their respective national plans and development priorities. This involves a harmonized approach to monitoring and advocacy to better inform policy and decision makers; a sharpened focus on key determinants to slum improvement, slum prevention and urban poverty reduction; strategic partnerships within and outside the United Nations system to provide the requisite capacity-building support; and the mobilization and leveraging of international and domestic resources for investing in pro-poor housing and related infrastructure and services.

A. Harmonizing monitoring and advocacy

15. The cross-cutting nature of the issues related to sustainable urbanization and urban poverty reduction go beyond the remit of any single agency. It requires a system-wide approach to monitoring and advocacy to better shape norm-setting and inform decision-making at the global, regional and country levels. During the reporting period, UN-Habitat succeeded in mobilizing, among others, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Bank to agree on a methodology for collecting and analysing data on slums, urban poverty and deprivation. The results of this coordinated approach led to the seminal findings of *The State of the World's Cities Report 2006/2007* as highlighted above. While these and other findings have led to growing global awareness of the scope and depth of urban poverty and slum conditions, progress at the country level needs to be greatly accelerated to meet the human settlements-related and other internationally agreed development goals.

16. An important first step is to harmonize data collection and analysis so as to include the urban dimension in the monitoring of all internationally agreed development goals. Such an approach would fill the existing gap in information on the social, economic and environmental consequences of rapid urbanization, the true dimensions of urban poverty, as well as the spatial location of target groups. This gap has led to one of the key obstacles to implementing the internationally agreed development goals in urban areas, namely, the lack of robust information to guide and inform policies and decision-making and, as a result, poorly planned or inadequate provision of basic services, including water and sanitation, education and health.

17. Filling this information gap would constitute a first step towards more consistent and better-informed normative debate at the global and country levels. At the country level, it would facilitate the task of United Nations country teams to mainstream the urban poverty agenda within the United Nations Development Assistance Framework (UNDAF) process. It would also improve the understanding by Governments and their development partners of the importance of including the urban dimension in their respective national development plans and, where appropriate, Poverty Reduction Strategies (PRSs).

18. At the global level, a harmonized approach to monitoring the social, economic and environmental consequences of urbanization, urban poverty and deprivation would greatly improve advocacy and awareness-building, a key step to the mobilization of partners and resources.

19. That was in part what was achieved by a series of global and high-level regional meetings dedicated to the issues of sustainable urbanization and poverty reduction and slum improvement. At the global level, the fourth session of the World Urban Forum, hosted by the Government of Canada and the City of Vancouver in June 2006, succeeded in convening over 10,000 representatives of governments, local authorities, civil society organizations and the private sector from 156 countries. The Forum, preceded by a World Youth Forum, focused on normative debate, the sharing of actionable ideas, and the exchange of best practices in sustainable urban development.

20. The key outcomes of the World Urban Forum can be summarized as follows:

(a) Coming to terms with the urban age. The Forum recognized that rapid urbanization will require a major reassessment of policies, practices and legislation to address the social, economic and environmental consequences of a predominantly urban world;

(b) From exclusion to engagement — the need to build effective coalitions to address the needs of the urban poor. The Forum recognized the need to engage the urban poor in decisions affecting their livelihoods and to recognize their "right to the city";

(c) Meeting the financing challenge of slum upgrading and sustainable infrastructure development. The Forum acknowledged the gap in the current international and national financial architecture in housing and municipal finance in providing affordable and accessible housing solutions and related basic urban infrastructure and services;

(d) Reinventing planning: applying new paradigms for sustainable and inclusive urban development. The Forum recognized the critical role of central government and local authorities in participatory and inclusive planning to meet the challenges of rapid urbanization. The Forum recommended the promotion of more sustainable patterns of consumption and production by reducing the ecological footprint of cities to mitigate the issues of global environmental challenges, including climate change.

21. Unprecedented media coverage was afforded to this event and continued for several months on the social, economic and environmental challenges facing cities and countries undergoing rapid urbanization.

22. Equally unprecedented was the active participation at the Forum of the United Nations system in a non-summit meeting. Over 20 agencies, regional commissions, programmes and funds, including the World Bank Group and regional development banks, participated actively in 26 events and took the lead in organizing seven events. The Forum thus provided a unique opportunity for engaging in broad-based normative debate and in the exchange of knowledge, expertise and experience.

23. At the regional level, three ministerial meetings on housing and urban development were organized in 2006 in close collaboration with regional commissions. These meetings focused on the mainstreaming of the urban dimension

of implementing the Habitat Agenda and related internationally agreed development goals.

24. Lessons learned from these global and regional forums point to the rising demand for well-structured platforms for addressing the urban dimension of attaining internationally agreed development goals. UN-Habitat is currently revising the architecture of the World Urban Forum to spearhead global advocacy on sustainable urbanization and urban poverty reduction.

B. Focusing on key determinants of sustainable urbanization and slum prevention

25. The efforts of UN-Habitat in the coordinated implementation of the Habitat Agenda are increasingly focused on the slum upgrading target of the United Nations Millennium Declaration,[1] the water and sanitation target of the Johannesburg Plan of Implementation,[2] and slum prevention as recommended by the General Assembly in paragraph 56 (m) of the 2005 World Summit Outcome.[3] These targets provide strategic entry points for addressing the twin goals of the Habitat Agenda, namely "adequate shelter for all" and "sustainable human settlements in an urbanizing world".

26. Five mutually supportive substantive focus areas have been identified in consultation with member States, other United Nations bodies and Habitat Agenda partners. These focus areas correspond to key determinants for addressing the challenge of sustainable urbanization and urban poverty reduction. They are: (a) effective advocacy, monitoring and partnerships; (b) participatory urban planning, management and governance; (c) pro-poor land and housing; (d) environmentally sound basic urban infrastructure and services; and (e) strengthened human settlements finance systems.

27. All of the five focus areas encompass gender, an age-sensitive and a rights-based approach and each focus area is accompanied by objectives and indicators of achievement. These key determinants and focus areas provide a framework that will enable the United Nations system to establish a systemic approach to:

(a) Establishing benchmarks for the monitoring and implementation of the Habitat Agenda and related internationally agreed development goals in urban areas;

(b) Mapping out *who* is doing *what* and *where* in order to identify gaps and overlaps and to enhance programme coordination;

(c) Forging strategic partnerships based on synergies and comparative advantages, especially in terms of providing policy advisory and capacity-building support at the country level.

28. Working arrangements were intensified throughout the reporting period on the provision of basic infrastructure and services in partnership with other United

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[1] See General Assembly resolution 55/2.

[2] Plan of Implementation of the World Summit on Sustainable Development (*Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.)

[3] See General Assembly resolution 60/1.

Nations bodies including the World Bank, particularly through the Cities Alliance, a joint study on cultural rights to the city with the United Nations Educational, Scientific and Cultural Organization, a joint review of best practices in inclusive public administration with the Department of Economic and Social Affairs of the Secretariat, and continued involvement with the World Health Organization on developing health indicators for cities.

29. On the housing front, the United Nations Human Rights Programme (UNHRP), a joint undertaking of the Office of the United Nations High Commissioner for Human Rights, the Advisory Group on Forced Evictions and UN-Habitat, is developing a set of indicators in collaboration with the Committee on Economic, Social and Cultural Rights. These indicators will be applied in the form of a questionnaire to assist member States in reviewing and assessing their respective legislations on issues pertaining to the housing rights of disadvantaged and vulnerable groups.

30. As part of a broader effort to highlight the housing rights of specific vulnerable groups, a report entitled "Indigenous peoples' right to adequate housing: a global review" (HS/734/05E) was published and launched at the fifth session of the Permanent Forum on Indigenous Issues in May 2006. An expert group meeting on urban indigenous people and migration, to be supported by the Government of Canada, is planned for 2007 as a follow-up to this activity. The outcome of this event will be reported on at the sixth session of the Permanent Forum in May 2007. Similar research is planned by the UNHRP on the housing rights of people with disabilities, internally displaced persons and refugees.

31. The Global Land Tool Network has successfully mobilized some 30 United Nations agencies, programmes and funds, bilateral and multilateral donors, researchers and professional associations to address the fundamental issue of land and property rights for the urban poor. This network coordinates resources and expertise in assisting member States and their development partners to develop and apply a range of normative and operational tools and guidelines to improve pro-poor land policies and legislation, and practices in property administration.

32. UN-Habitat organized an inter-agency meeting on urbanization on 6 March 2007 in the context of the High Level Committee on Programmes (HLCP). The meeting recognized that 2007 would mark a turning point in urban trends, with more than half of the world's population living in cities for the first time. As 72 per cent of the African, 46 per cent of the Asian and 33 per cent of the Latin American urban dwellers are living in slum areas with poverty and high unemployment and underemployment rates as well as limited access to basic services, contributing to well-managed cities should be regarded as a priority concern of the entire United Nations system. The meeting thus recommended that a thematic discussion on "urban poverty" or "urbanization: challenges and opportunities" be tabled at a future session of the Chief Executives Board for Coordination (CEB), in order to ensure a coherent strategic response by the United Nations system to the multifaceted challenges posed by rapid urbanization. The meeting also agreed on arrangements for United Nations organizations to collaborate on analytical policy work and to identify opportunities for strengthening joint programmes of work on capacity-building for the reduction of urban poverty, including on "localizing Millennium Development Goals".

C. Strategic partnerships

33. The Habitat Agenda recognizes that the primary responsibility for implementation lies with member States; it further recognizes the front-line role and contribution of local authorities. The bulk of investment in shelter and basic urban infrastructure and services derives, however, from the private sector and individuals. Both these stakeholders require an enabling policy and regulatory framework to meet the challenges of rapid urbanization.

34. The role and contribution of strategic partners at the global, regional and country levels are critical to supporting this effort. While UN-Habitat continues to strengthen partnerships and coalitions with, for example, United Nations bodies, international financial institutions and the Habitat Agenda partners, the aim is to dramatically increase the number of partners and networks engaged in supporting the sustainable urbanization and urban poverty reduction agenda.

D. Global-level approach

35. Global-level activities of UN-Habitat will concentrate on monitoring, advocacy and promoting normative debate, with the ultimate aim of mobilizing a broad constituency of support for sustainable urbanization. Global-level activities will include:

(a) A global campaign for sustainable urbanization to spearhead policy and advocacy work at the global and regional levels and the development of normative tools in support of the monitoring and implementation of the Habitat Agenda and related internationally agreed development goals at the global, regional, national and local levels;

(b) UN-Habitat proposes the convening of an annual round table of international financial institutions to strengthen their global and country strategies by incorporating the sustainable urbanization and urban poverty reduction agenda;

(c) The establishment of a Habitat Agenda task management system within the Environment Management Group (EMG), similar to that developed for Agenda 21. This system will enable all United Nations bodies and Habitat Agenda partners to report in a more coordinated manner on progress in implementing the Habitat Agenda and related internationally agreed development goals;

(d) The strengthening of relations with civil society and other partners by sharing experience and best practices at global meetings such as the World Urban Forum.

E. Regional-level approach

36. Regional approaches will consist of normative, advocacy and knowledge management activities. The regional ministerial meetings on housing and urban development initiated for Africa and the Asia and Pacific region by UN-Habitat in 2006 will continue to promote normative debate on key issues such as

decentralization and other specific regional and subregional issues.[4] UN-Habitat has been reporting the outcome of these regional meetings, including the long-standing, high-level meeting for the Latin American and Caribbean region,[5] to its Governing Council, the Economic and Social Council and the General Assembly.

37. UN-Habitat will engage regional development banks and regional commissions to raise awareness of the slum challenge and promote more sustainable urbanization. The regional approach will also emphasize sharing examples of good practice and lessons learned at the regional and subregional levels.

38. It is proposed that the above institutions collaborate in the preparation and dissemination of regional "State of the Cities" reports as an important information and advocacy tool to supplement UN-Habitat's *The State of the World's Cities Report*.

F. Country-level approach

39. The need for more effective country support has been identified as a priority by the Paris Declaration on Aid Effectiveness and by the United Nations reform process.

40. In response, UN-Habitat proposes an enhanced normative and operational framework that will enable countries to: (a) analyse their respective urbanization conditions and trends; (b) assess the adequacy of their policy, legal and institutional frameworks; and (c) identify priority initiatives to realize more sustainable urbanization.

41. The outcome of the this framework is to have urban issues reflected in national development strategies, poverty reduction strategies and UNDAF.

42. The Enhanced Normative and Operational Framework will respond to the priorities of countries in different development and urbanization contexts, ranging from countries in which the urbanization process has stabilized to countries in which the process is rapid and chaotic, to countries that have suffered a setback due to natural disaster or conflict.

43. It is proposed that the Enhanced Normative and Operational Framework be implemented through a phased roll-out. This roll-out will be consistent with United Nations reform at the country level starting with, for example One United Nations Pilot Countries. It will also be based on demand, guided by clear engagement criteria and regular evaluations.

44. It is proposed that Governments revitalize the broad-based Habitat National Committees that were originally established for the 1996 United Nations Conference on Human Settlements (Habitat II) and the five-year review of the implementation of the outcome of Habitat II (twenty-fifth special session of the General Assembly) to have an inclusive process in developing their national urban development strategies.

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[4] These include the African Ministerial Conference on Housing and Urban Development, the All Africa Ministerial Conference on Decentralization and Local Development and the Asia-Pacific Ministerial Conference on Housing and Urban Development.

[5] The General Assembly of Ministers and Maximum Authorities of Housing and the Urban[illegible] of the Latin American and the Caribbean Countries.

45. Where urban issues are well recognized, the objective will be to mobilize United Nations bodies and Habitat Agenda partners to develop a comprehensive country programme focusing on capacity-building in support of systemic reforms that will realize positive impacts at scale.

46. Finally, in situations in which the United Nations system is called upon to assist Governments to respond to natural disasters or conflicts, the Enhanced Normative and Operational Framework will be initiated through the appropriate clusters of the Inter-Agency Standing Committee.

G. Local-level approach

47. UN-Habitat will continue to build on its comparative advantage within the United Nations system in working with local authorities. It has continued to work closely with United Cities and Local Governments (UCLG) in for example, finalizing Guidelines on Decentralization and Strengthening of Local Authorities and in supporting the establishment of a global observatory of local democracy and decentralization as a mechanism to monitor progress made in the implementation of the Habitat Agenda.

48. A related role for UN-Habitat will be to strengthen working relations between the Governments and the Habitat Agenda partners — particularly communities, civil society, the private sector, local authorities and central governments — to help align efforts to achieve sustainable urbanization-related goals.

IV. Leveraging resources

49. One result of misinformed or misguided public policy regarding rapid urbanization is that investments in housing and basic urban infrastructure and services lag way behind demographic growth and the physical expansion of towns and cities. This is especially the case with smaller cities and towns in developing countries that are growing the fastest and are particularly disadvantaged in terms of human and financial capacities to meet the needs of rapid growth.

50. An analysis of national development plans and budgets among rapidly urbanizing countries reveals that, with few exceptions, housing and urban development rank among the lowest in terms of national budgetary allocations and public expenditure. While the bulk of resources devoted to housing and urban development typically comes from the private sector, public policy and public expenditure in urban infrastructure and services are critical to leveraging private investment and to providing the necessary incentives for interventions targeting the urban poor.

51. A similar role in guiding public policy and leveraging public and private investment can be attributed to official development assistance (ODA). The estimated investment required to attain Millennium Development Goal 7, target 11, on slum upgrading and to prevent the future formation of slums is estimated at US$ 20 billion per year for the period 2005-2020. Lessons learned from successful slum-upgrading initiatives show that up to 80 per cent of these resources can be met by leveraging public expenditures with domestic capital and the efforts of the slum-

dwellers themselves. This implies a financing gap of US$ 4 billion per annum which could be covered by ODA. Yet ODA to the urban sector has remained largely stagnant in real terms for the past decade, and is currently estimated at US$ 2 billion per annum, only a fraction of which is targeted to pro-poor housing and urban development.

52. Given the above situation, a key priority of UN-Habitat continues to be the strengthening of its pre-investment role and demonstrating the macroeconomic advantages of investing in slum upgrading and pro-poor housing and basic urban infrastructure and services. UN-Habitat does so by increasingly packaging its policy and capacity-building activities with a view to mobilizing domestic and international follow-up investment.

53. This approach is based on lessons learned from the Water and Sanitation Trust Fund and the Slum Upgrading Facility. The Water and Sanitation Trust Fund leveraged an initial investment of US$ 1 million by the United Nations Habitat and Human Settlements Foundation to mobilize close to $50 million in policy, advocacy and pre-investment capacity-building. This, in turn, has catalysed over $1.5 billion in follow-up investments by regional development banks and other international financial institutions. The main outcome of the initiative has been a fast-track approach to needs assessment, capacity-building and follow-up investment in attaining the water and sanitation-related internationally agreed development goals in small cities and towns in Africa and Asia.

54. The current pilot phase of the Slum Upgrading Facility has a similar aim, focusing on pro-poor housing and urban infrastructure and targeting the mobilization of domestic capital. It combines technical assistance with seed capital, on a grant or reimbursable loan basis, to reduce the risks perceived by domestic financial institutions and the private sector in investing in pro-poor housing and urban development.

55. The lessons learned to date from both these initiatives are very positive. But they also point to the urgent need to address structural problems at the national level, including the need to:

(a) Review macroeconomic policies that favour investment in pro-poor housing and urban development, not only as a means of addressing the social consequences of rapid urbanization, but more importantly as a major means of stimulating local economic development and employment generation. This review should also include the need for more enabling policies and strategies that help to realize the full potential of the informal economy, of which slums are a physical manifestation;

(b) Develop and apply innovative financial systems, based in part on the successful track record and experience of community-based microcredit facilities, to enable the urban poor to access housing credit. This will require the promotion of financial policies that recognize the differentiated needs of the urban poor for long-term credit for land acquisition and short-term credit for construction;

(c) Strengthen the financial base and capacities of local authorities to expand the supply of serviced land and to target the provision of basic urban services to the urban poor. This includes the need to revise the regulatory frameworks for service providers to enable provision of services to slums and informal settlements.

56. In parallel, urgent action is also required at the global level to revise and rechannel the flow of ODA in support of pro-poor housing and urban development in a more predictable way, in order for recipient countries to plan for the necessary increment in public investments so that additional resources can be used effectively once they become available. A key starting point includes working with bilateral and multilateral organizations to monitor overall funding levels for sustainable urbanization and urban poverty reduction.

V. Conclusions and recommendations

57. **Towns and cities are growing rapidly, faster than ever before in human history. In 1950, one third of the world's people lived in cities. Today, half of the world's population lives in cities and towns. It is expected that this share will continue to rise to two thirds, or 6 billion people, by 2050. The scale and pace of this growth is creating unprecedented social, political, cultural and environmental challenges that must be addressed by the global community. At the same time, the bulk of urban growth that is occurring in rapidly urbanizing developing countries is being absorbed in life-threatening slums. This urbanization of poverty poses a direct challenge for the implementation of the Habitat Agenda and the attainment of internationally agreed development goals.**

58. **Governments are encouraged to review macroeconomic policies that favour investment in pro-poor housing and urban development, not only as a means of addressing the social consequences of rapid urbanization, but more importantly as a major means of stimulating local economic development and employment generation and contributing to the achievement of the Millennium Development Goals at the city level. This review should also include the need for more enabling policies and strategies that help to realize the full potential of the informal economy, of which slums are a physical manifestation.**

59. **Governments are encouraged to take urgent action to mainstream the sustainable urbanization and urban poverty reduction agenda in their national development strategies, poverty reduction strategies and UNDAF processes at all levels. It is therefore recommended that urban poverty reduction be integrated in the monitoring of progress in the attainment of all internationally agreed development goals, including equal access to land, shelter, water and sanitation, and so forth.**

60. **Most of the urban dwellers of the developing countries are living in slum areas with poverty and high unemployment and underemployment rates as well as limited access to basic services. Contributing to well-managed cities should be regarded as a priority concern of the entire United Nations system and all Habitat Agenda partners. That would ensure a coherent strategic response by the United Nations system to the multifaceted challenges posed by rapid urbanization. Collaboration should be encouraged among all the Habitat Agenda partners on analytical policy work and to identify opportunities for strengthening joint programmes of work on capacity-building for the reduction of urban poverty, including on "localizing Millennium Development Goals".**

61. **While progress continues in the coordinated implementation of the Habitat Agenda and related internationally agreed development goals, a**

dedicated system and institutional machinery for reporting and enhancing programme coordination is lacking. It is therefore recommended that a task manager system, similar to the one used for Agenda 21, be established within the EMG.

62. **The most urgent action needs to be taken at the country level in policy and institutional reform, capacity-building and investment, involving a wide range of partners and stakeholders. Coordinated and enhanced support by the international community to member States also requires coordination at the country level. It is therefore recommended that member States revitalize broad-based National Habitat Committees that were established for the preparations of the Habitat II Conference and the five-year review of the implementation of the outcome of Habitat II (twenty-fifth special session of the General Assembly), to develop inclusive sustainable urban development strategies.**

63. **The world enters into an urban era at the same time that the United Nations is engaged in system-wide reform and coherence. This coincidence represents a unique opportunity to strengthen working arrangements and programme coordination to meet the social, economic and environmental consequences of rapid urbanization. It is therefore recommended that sustainable urbanization be introduced as a standing item of the agenda for the high-level discussions on sustainable development.**

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Coordination, programme and other questions: international cooperation in the field of informatics

International cooperation in the field of informatics

Report of the Secretary-General

Summary

The present report was prepared pursuant to Economic and Social Council resolution 2006/35, in which the President of the Council was requested to convene the Ad Hoc Open-ended Working Group on Informatics for one more year to enable it to continue its efforts to act as a bridge, with regard to information technology, between the evolving needs of Member States and the actions of the Secretariat.

The report highlights the continuing cooperation of the Working Group and the Secretariat, resulting in practical enhancements in the area of technology that facilitate the work of Member States and Observers of the United Nations, as well as of non-governmental organizations accredited to the United Nations.

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I. Introduction

1. By its resolution 2006/35, the Economic and Social Council requested the President of the Council to convene the Ad Hoc Open-ended Working Group on Informatics for one more year to enable it to carry out, from within existing resources, the provisions of its resolutions on international cooperation in the field of informatics and to facilitate the successful implementation of the initiatives being taken by the Secretary-General with regard to the use of information technology.

2. The Council requested the Working Group to continue its efforts to act as a bridge between the evolving needs of Member States and the actions of the Secretariat. The Working Group has continued to collaborate closely with the Secretariat to direct its existing resources in practical ways that best meet the needs of Member States with regard to everyday use of information technology in accomplishing the work of the diplomatic community associated with the United Nations.

II. Cooperation between the Ad Hoc Open-ended Working Group on Informatics and the Secretariat

3. The Working Group and the Secretariat have maintained their effective cooperation. During 2006, the focus of cooperation has continued to be informal meetings specifically related to cooperative efforts between the Working Group and the Secretariat.

4. Exploiting the mature technology infrastructure available for joint use, specifically wireless Internet access (Wi-Fi) and the QuickPlace website tool, the Secretariat and the Working Group now share responsibility for the creation and maintenance of web pages and document updates in a new mode of collaboration that is direct, transparent and timely.

5. With the guidance of the Working Group, the Secretariat intensified its efforts to more fully develop CandiWeb, the prototype QuickPlace website in support of the elections process. Working within existing resources, the Secretariat engaged volunteers, Secretariat staff, and the staff of permanent missions to create, maintain and support the site.

6. Building on its successful efforts with CandiWeb, the Working Group decided to gradually extend this mode of working-level coordination to similar information repositories of interest to the permanent missions. In that regard, the Secretariat began preliminary work with the First Committee to develop a prototype website.

III. Information and communication technology infrastructure

7. The Secretariat continues to maintain the "dial-in" infrastructure, which allows missions to connect to the Internet and to access services such as e-mail and the World Wide Web.

8. Wi-Fi has been deployed throughout the public areas and conference rooms of the New York campus. Additional access points were added in 2006 to meet the

rising demand for this service. To support Wi-Fi, power for mobile devices has been made available in most conference rooms and adjacent areas.

9. The Secretariat continues to maintain and improve the computer servers that support services to the missions. Server capacity is sufficient for the current workload.

10. The personal computers available to delegations continue to be upgraded as needed. These computers now make use of Wi-Fi, which has improved their performance. The Dag Hammarskjöld Library and Knowledge Sharing Centre (DHLink) continues to make workstations available to access a wide range of internal and external electronic information resources. Information and reference assistance are also available.

11. The Department for General Assembly and Conference Management continues to support and improve the online request registration process for bilateral meetings. Member States directly submit electronic requests for bilateral meetings using the e-Meets system.

12. The Secretariat continues to refurbish older personal computers that are no longer needed and to furnish them to missions, under the overall guidance of the Working Group. Statistics on computing equipment donated to permanent missions in 2006 are contained in annex II to the present report.

IV. Information technology services

13. As highlighted above, the Secretariat and the Working Group have cooperated to create a QuickPlace website in support of the elections process. CandiWeb is being used, in its initial implementation, to centralize existing information about elections and candidatures, providing a secure website that is easy to use and to which relevant parties can directly post information. The site makes use of existing Secretariat facilities, and maintenance of the site is shared among the diplomatic community and the Secretariat, coordinated by the Working Group. The Secretariat and the Working Group intend to further improve this site and its operation in the coming year while maintaining the ease of use that has made it a very useful tool for the diplomatic community.

14. Expanding on the successful implementation of CandiWeb, the Secretariat and the Working Group plan to address more comprehensively the particular information needs of delegations by exploring ways to integrate existing information resources through working-level cooperation. In that regard, the Working Group and the Secretariat plan, within existing resources, to re-implement the top-level website for the permanent missions (http://www.un.int) in order to improve its usefulness to the diplomatic community as a portal to both information and services.

15. The Secretariat provides website services for many permanent missions and, together with the United Nations Institute for Training and Research (UNITAR), is directly assisting some of them with their sites, in an experimental collaboration with DePaul University. During 2007 the Secretariat intends to substantially improve this service, aligning it with United Nations standards to enhance security, usability and maintainability.

16. The Secretariat continues to provide e-mail services to the permanent missions. During 2007, with the cooperation of the Working Group, the Secretariat plans to migrate these e-mail services from a non-standard platform to the standard platform used within the Secretariat. This will improve the reliability and maintainability of the e-mail services while reducing duplication of effort.

V. Training, support and awareness

17. The Working Group continues its focus on awareness and is gradually moving the results of its efforts online. The guide to Internet services for delegations will be incorporated into the re-implementation of the top-level website for permanent missions described above.

18. The Working Group and the Secretariat continue to explore the idea of establishing a forum in which the diplomatic community and the Secretariat can exchange information and views concerning information and communication technology in the Secretariat, including strategies and initiatives, as an extension of the Working Group's focus on awareness and to serve as an additional bridge between Member States and the Secretariat in the area of informatics.

19. The Dag Hammarskjöld Library and Knowledge Sharing Centre (DHLink) continues to enhance its programmes for training in the management and use of United Nations documentation, as well as in the use of United Nations and external online databases and resources. Personal coaching on the use of information tools is also available. UNITAR is also active in providing training for mission staff, especially those new to New York.

20. The Secretariat provides support, typically via the Information Technology Services Division Help Desk, whenever there are problems with any of the provided services or infrastructure. In 2006, over 1,400 calls from permanent missions were handled by the Help Desk.

Annex I

Meeting of the Ad Hoc Open-ended Working Group on Informatics

Date	*Meeting/presentation*	*Short description of topics discussed*
8 November 2006	Meeting	The Working Group and the Secretariat presented and discussed CandiWeb, the elections and candidatures website. The Working Group decided to continue with this effort as it has proven useful for delegations. The Working Group also decided to pursue the extension of this effort to other information resources of interest to the work of delegations, possibly including the creation of an appropriately secured information portal for their use.

Annex II

Personal computers given to permanent missions

Equipment type	*Number*
Central processing units	771
Monitors	547
Printers	427
Other devices	46

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Report of the Director of the United Nations System Staff College on its work, activities and accomplishments

Note by the Secretary-General

Pursuant to General Assembly resolution 60/214, the Secretary-General transmits herewith to the Economic and Social Council the third report of the Director of the United Nations System Staff College on the work, activities and accomplishments of the College.

Summary

The present report outlines the active role of the College and its governance and describes its learning and training activities in the two years ending 30 June 2007. The report also discusses the human and financial resources available to the College during the same period. Furthermore, the report outlines the College vision up to 2009.

The report highlights the solid progress made by the College over the last two years as well as its renewed coherence and future orientation.

The Economic and Social Council may wish to formulate its support for the objectives of the College, review its financial and administrative operations, and emphasize the importance of its learning and training role in the process of United Nations reform.

* E/2007/100.

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> "The system agenda for progress should thus focus on: ... promoting a system-wide learning culture rooted in shared values and common objectives for all staff of the UN system. The culture building effort must focus on staff as they enter the international civil service, joining not only one organization but also an integrated system of organizations. It should focus on staff as they assume management responsibilities and hence a greater role in steering the UN organizations towards One United Nations. And it should engage senior management, charged with providing leadership, momentum and policy guidance for these efforts".
>
> From the Chief Executives Board for Coordination publication *One United Nations: catalyst for progress and change*.

I. Introduction

1. The present report is the third report of the United Nations System Staff College since 1 January 2002, when the College became a distinct institution within the United Nations system. The two previous reports were submitted to the General Assembly in accordance with Assembly resolution 55/207 and 55/278. The present report is submitted to the Economic and Social Council rather than to the Assembly in accordance with Assembly resolution 60/214 (para. 8).

2. The present report covers the two years that have elapsed since the previous report, namely the period from 1 July 2005 to 30 June 2007.

II. Historical background

3. The establishment of a staff college to serve the United Nations system was a direct response to the need to strengthen the coherence and effectiveness of the international civil service. The college began operations as a project entrusted to the International Training Centre (ITC) of the International Labour Organization (ILO) in 1996.

4. Towards the end of the project (August 2000), an independent evaluation was carried out. The evaluation recommended the establishment of a fully fledged United Nations staff college and drafted the elements of a statute for it. In December 2000, the General Assembly authorized the establishment of the United Nations System Staff College and extended the staff college project by one year in order to allow for a smooth transition to its new status.

5. In July 2001, the General Assembly, in its resolution 55/278, formally approved the statute of the new United Nations System Staff College. The Board of Governors of the College held its first session in Geneva in November 2001 and the College began operations as a distinct institution within the United Nations system on 1 January 2002.

III. Governance

6. In July 2005, the Board of Governors of the College reiterated that it was critical for the College to be truly integrated into the United Nations system, with a clear sense of its niche, firmly oriented towards supporting United Nations reform and change.

7. At its December 2005 meeting, the Board launched a process of consultations to develop a core curriculum for the College which was subsequently endorsed by the United Nations System Chief Executives Board for Coordination at its meetings of the High Level Committee on Management and the High Level Committee on Programmes in February 2006.

8. Following the arrival in May 2006 of the new Director of the College, a forward-looking business plan for the College for the period 2006-2009 was drafted. The plan was presented to and endorsed by the Expert Technical Review Panel in July 2006 and by the Board of Governors of the College in September 2006.

9. In September 2006, the same business plan was presented to a combined session of the High Level Committee on Management and the High Level Committee on Programmes for endorsement. During that session, the Director of the College reiterated the College's determination to focus on its core mandate. Both committees endorsed the business plan and called on the organizations of the United Nations system to further strengthen their involvement in the College's work.

10. The College budget for 2007 was the first budget of the College presented as a results-based budget. It was approved by the Board of Governors of the College in December 2006. The College is currently coming to the end of its first year of activity since the adoption of the business plan.

IV. College objectives

11. The main objectives of the College are set out in article II of its statute:[1]

> 1. The Staff College shall serve as a distinct, system-wide, knowledge-management and learning institution, with a view to fostering a cohesive management culture across the United Nations system. It shall provide strategic leadership and management development for international civil servants with a view to strengthening collaboration within the system in areas of common organizational responsibility; increasing operational effectiveness; enhancing cooperation with States Members and observers of the United Nations, the specialized agencies, regional organizations, non-governmental organizations and civil society; and developing a more cohesive, system-wide, management culture.
>
> 2. The Staff College shall carry out its activities on the basis of the needs expressed by the agencies of the United Nations system and in close cooperation with training and learning institutes and similar bodies within the United Nations system. It may also collaborate with relevant entities outside the system.

[1] General Assembly resolution 55/278, annex.

12. In pursuit of its objectives, and in accordance with its new business plan, the College has decided to engage in programmes that are:

(a) Strategic in their nature;

(b) Achievable in a short period of time;

(c) Attractive to donors;

(d) Able to expand and contract, according to client needs;

(e) Unique, adding value to other training offered within the United Nations system.

V. Programmes reorganization

13. Since 2002, the College has made its mark in relation to some key programmes: United Nations training, learning and networking; resident coordinator and United Nations Country Team learning; and early warning and preventive measures.

14. These activities have contributed proof that the College can:

(a) Establish strategic alliances;

(b) Bridge gaps;

(c) Build new competencies;

(d) Make a difference in terms of operational responses;

(e) Sustain a common United Nations culture;

(f) Support a system-wide training-learning agenda.

15. Through its business plan, the College has currently sharpened further the focus of its curriculum around some of the critical challenges facing the United Nations system: leadership and management; peace and security; development cooperation and learning.

16. The business plan horizon is both short- and medium-term. In 2006 and 2007 the College has concentrated on the short-term goal of laying a solid foundation for the future, by reorganizing the programme department and consolidating its staffing. The biennium 2008-2009 will feature the implementation of new services and training programmes, such as the Senior Management Network leadership development programme; secure and safe approaches in field environments; and enhanced support to the United Nations learning community.

VI. College activities

A. Development cooperation

Resident coordinator system learning support

17. The resident coordinator learning support provided by the United Nations System Staff College contributes to the United Nations reform process by helping

United Nations Country Teams and their partners to design and implement coherent and efficient programmes to achieve the Millennium Development Goals, pursuant to Assembly resolution 60/214.

18. Resident coordinator system learning support provides learning and training events targeted at United Nations staff involved in planning and implementing strategic responses to national development challenges.

19. The resident coordinator system works in close partnership with the United Nations Development Group Office through a jointly developed plan of support to United Nations Country Teams.

20. In the period covered by the present report, the resident coordinator system programme conducted 75 events, involving 3,951 participants, including United Nations staff and Government partners, as well as representatives of the donor community and civil society organizations. These activities contributed to three main sets of results:

(a) Enhanced quality of United Nations country-level common programming processes, through:

(i) Regional orientation workshops on the United Nations country level common programming process;

(ii) Country orientation workshops on the United Nations country level common programming process;

(iii) Country level strategic planning retreats with Government partners in the context of the United Nations Development Assistance Framework (UNDAF);

(iv) Annual retreats of United Nations Country Teams;

(b) A stronger resident coordinator system, through:

(i) Induction workshops for newly appointed resident coordinators;

(ii) Skills training workshops for newly appointed resident coordinators and new agency representatives (inclusive of certain agency briefings);

(iii) Training workshops for new coordination officers in the field;

(iv) Team-building support using the Belbin Team Roles instrument;

(v) Design and testing of a new team effectiveness survey specifically tailored to the United Nations environment;

(c) Improved learning and training capacity within the United Nations system and of key partners, through:

(i) Training of trainers for United Nations staff involved in supporting the United Nations country-level common programming process (Common Country Assessment (CCA)/UNDAF);

(ii) Global training on results-based management;

(iii) Support to the Action 2 inter-agency task force in the finalization of the United Nations common learning package on the human rights-based approach to programming;

(iv) Design of a regional skills training concept focusing on the human rights-based approach and results-based management, partnering skills for strategic engagement, and strategic thinking for negotiation and consensus-building;

(v) DevInfo advanced training.

Table 1
Key activities in resident coordinator system learning support, 1 July 2005-31 December 2006

Date	*Activity*	*Venue*	*Number of participants*	*Number of participant-days*
27-29 July 2005	Strategic planning retreat	Libreville	53	159
28 August-8 September 2005	Global training on common services	Johannesburg, South Africa	56	672
5-9 September 2005	Strategic planning retreat	Sana'a	85	255
14-16 September 2005	Strategic planning retreat	Rabat	47	141
15-17 September 2005	Strategic planning retreat	Tunis	61	183
18-20 September 2005	Strategic planning retreat	Cairo	75	225
27-29 September 2005	UNCT orientation workshop	Monrovia	35	105
28-30 September 2005	Strategic planning retreat	Bangkok	60	180
3-13 October 2005	Resident coordinator induction workshop	New York	22	220
5-7 October 2005	Strategic planning retreat	Brasilia	56	168
12-14 October 2005	Strategic planning retreat	Lusaka	55	165
12-14 October 2005	Strategic planning retreat	Asmara	47	141
17-19 October 2005	Strategic planning retreat	Algiers	68	204
18-20 October 2005	Strategic planning retreat	Conakry	40	120
26-27 October 2005	Strategic planning retreat	Addis Ababa	54	108
26-28 October 2005	Strategic planning retreat	San Salvador	44	132
2-4 November 2005	Strategic planning retreat	Santo Domingo	32	96
8-10 November 2005	Strategic planning retreat	Banjul	34	102
15-16 November 2005	Strategic planning retreat	Montevideo	27	54
16-18 November 2005	Strategic planning retreat	Panama City	52	156
16-18 November 2005	Strategic planning retreat	Maputo	51	153
23-25 November 2005	Strategic planning retreat	Sao Tome	39	117
29 November-2 December 2005	Strategic planning retreat	San Ignacio	37	111
30 November-1 December 2005	Joint office	Praia	59	118
14-16 December 2005	Strategic planning retreat	Dakar	50	150
14-16 December 2005	Strategic planning retreat	Asunción	65	195
18-19 January 2006	UNCT annual retreat	Male	12	24
18-20 January 2006	Strategic planning retreat	Pyongyang	27	81
22-28 January 2006	Global training of trainers	New York	54	378

Date	*Activity*	*Venue*	*Number of participants*	*Number of participant-days*
25-27 January 2006	Strategic planning retreat	Kingston	42	126
8-10 February 2006	Regional workshop on the United Nations common programming process	Dakar	53	159
8-10 February 2006	UNCT annual retreat	Los Roques, Venezuela	18	54
9-11 February 2006	UNCT annual retreat	Wadduwa, Sri Lanka	47	141
15-17 February 2006	Regional workshop on the United Nations common programming process	Panama City	57	171
22-24 February 2006	UNCT orientation workshop	Bogotá	44	132
1-3 March 2006	Strategic planning retreat	Pretoria	71	213
5-7 March 2006	UNCT orientation workshop	Amman	37	111
15-17 March 2006	Regional workshop on the United nations common programming process	Nadi, Fiji	54	162
29-31 March 2006	UNCT orientation workshop	Santa Cruz, Bolivia	33	99
4-6 March 2006	Strategic planning retreat	Tegucigalpa	187	561
10-12 April 2006	UNCT orientation workshop	Havana	65	195
17-19 April 2006	UNCT orientation workshop	New Delhi	57	171
18-19 April 2006	UNCT orientation workshop	Ciudad Colon, Costa Rica	36	72
19-21 April 2006	UNCT orientation workshop	Port-of-Spain	25	75
25-27 April 2006	UNCT orientation workshop	Gaborone	65	195
3-4 May 2006	UNCT annual retreat	Banjul	28	56
22-26 May 2006	Global induction workshop for coordination officers	New York	34	170
26-27 May 2006	UNCT annual retreat	Hammamet, Tunisia	28	56
14-16 May 2006	Strategic planning retreat	Port Moresby	54	162
19-23 May 2006	Results-based management training for Quality Support and Assurance staff	Turin	42	210
20-22 May 2006	Strategic planning retreat	Apia	42	126
12-13 July 2006	UNCT orientation workshop	Freetown	54	108
28 August-1 September 2006	Strategic planning retreat	Lilongwe	115	345
29-31 August 2006	Strategic planning retreat	Thimphu	76	228
7-8 September 2006	Strategic planning retreat	New Delhi	110	220
11-13 September 2006	Strategic planning retreat	Paramaribo	61	183
17-19 September 2006	Strategic planning retreat	Amman	36	108
19-21 September 2006	Strategic planning retreat	Male	74	222
28-29 September 2006	Strategic planning retreat	Yaoundé	51	102
28-30 September 2006	Strategic planning retreat	Colombo	66	198

Date	*Activity*	*Venue*	*Number of participants*	*Number of participant-days*
2-13 October 2006	Resident coordinator induction workshop	New York	31	372
11-12 October 2006	Strategic planning retreat	Monrovia	76	152
18-20 October 2006	Strategic planning retreat	Bamako	53	159
18-20 October 2006	Strategic planning retreat	Bissau	66	198
24-27 October 2006	United Nations subregional team annual retreat	Montserrat, Barbados	16	64
31 October-2 November 2006	Strategic planning retreat	Moroni	62	186
14-16 November 2006	Strategic planning retreat	Tobago, Trinidad and Tobago	41	123
14-16 November 2006	Strategic planning retreat	Maseru	58	174
15-17 November 2006	Strategic planning retreat	Malabo	35	105
22-24 November 2006	Strategic planning retreat	San José	81	243
28 November-1 December 2006	United Nations resident coordinator and agency representative induction workshop	Turin	25	100
29 November-1 December 2006	Strategic planning retreat	Bogotá	109	327
4-6 December 2006	Strategic planning retreat	Djibouti	42	126
6-8 December 2006	Strategic planning retreat	Kigali	55	165
13-15 December 2006	Strategic planning retreat	Lomé	42	126
Total			**3 951**	**12 664**

Note: "Participant-days" is the number of participants multiplied by the number of days.

Partnerships, private sector and civil society

21. In 2007, Partners in Action and other partnership-related activities were fully integrated into the development cooperation programme.

22. The aim of these activities is to strengthen the capacities of United Nations staff and United Nations organizations to work more effectively with partner organisations in the private sector and in civil society, thus complementing the ongoing partnerships of the United Nations with Governments.

23. Details of key activities in 2005-2007 are given in table 2 below.

Table 2
Key activities in partnerships/private sector/civil society, 2005-2007

Date	*Activity*	*Venue*	*Number of participants*	*Number of participant-days*
13-15 December 2005	Partnering skills for strategic engagement course (part 1)	Vienna	18	54
21-23 February 2006	Partnering skills for strategic engagement course (part 1)	Geneva	20	60
23-24 March 2006	Partnering skills for strategic engagement course (part 2)	Vienna	20	40
16-18 May 2006	Partnering skills for strategic engagement course	Paris	18	54
1-2 June 2006	United Nations private sector focal points meeting	Paris	77	154
4-6 July 2006	Partnering skills for strategic engagement course	Rome	20	60
10-11 October 2006	Partnering skills for strategic engagement course (part 2)	Geneva	20	40
17-19 October 2006	Partnering skills for strategic engagement course	Nairobi	20	60
13-15 December 2006	Partnering skills for strategic engagement course	Turin	33	99
24-26 January 2007	Partnering skills for strategic engagement course	Panama City	26	78
27 February-1 March 2007	Partnering skills for strategic engagement course	Bangkok	16	48
5-7 March 2007	Partnering skills for strategic engagement course	Jakarta	31	93
20-22 March 2007	Partnering skills for strategic engagement course	Nairobi	17	51
Total			**336**	**891**

Note: "Participant-days" is the number of participants multiplied by the number of days.

B. Peace and security

24. The peace and security programme consists of three components: (a) secure and safe approaches in field environments; (b) conflict prevention: analysis for action (former early warning and preventive measures project); and (c) actors for change.

Secure and safe approaches in field environments

25. In view of the need for a major improvement in staff training on safety and security, the United Nations Department for Safety and Security and the College have been working together since 2006 in the design, preparation and delivery of a full-fledged security training programme to be implemented at the country level. The training includes:

(a) Developing a safety and security learning curriculum for a four-day training equally divided into theory and field practice, addressing core modules, such as communications, personal security, mines, travel, United Nations security management system, cultural awareness, incidents management, stress management, clearance procedures, hostage survival and basic first aid;

(b) A training of trainers programme for security officers, in order to create a pool of United Nations trainers who will be used for conducting training workshops in the field.

26. As a result of the global training programme in secure and safe approaches in field environments, individual countries will be able to implement specific safety and security training programmes for all United Nations civilian personnel, allowing them to:

(a) Undertake work in the assigned security area more confidently and effectively;

(b) Better understand varying levels of threat and security trends in their respective areas of operation and be able to respond quickly to crisis situations;

(c) Be able to operate communications equipment effectively;

(d) Be able to understand and comply with United Nations security procedures;

(e) Owing to enhanced safety and security education, suffer fewer injuries, casualties and fatalities.

27. Between January and March 2007, two preparatory activities were held in Turin.

Table 3
Other key activities undertaken by the United Nations Department for Safety and Security in cooperation with the United Nations System Staff College in the field of United Nations staff safety and security, 2007

Date	*Activity*	*Number of participants*	*Number of participant-days*
11 February-2 March 2007	Security certification programme	45	720
6-18 May 2007	Refresher training programme	35	385

Note: "Participant-days" is the number of participants multiplied by the number of days.

Conflict prevention: analysis for action (former early warning and preventive measures project)

28. Since 1998 the College in partnership with the United Nations Department of Political Affairs has been involved in a joint training project entitled "Early warning and preventive measures: building United Nations capacity". Since its inception, the project has undertaken more than 58 training activities and trained over 1,800 participants in conflict analysis for conflict prevention.

29. In February 2007 a strategic review was conducted of the project in order to take stock and align it with recent developments within and outside the United Nations system related to capacity-building for conflict prevention.

30. The primary aim of the project entitled "Conflict prevention: analysis for action" is to build institutional capacity in the area of early warning and preventive measures and, as a corollary, to promote greater mutual exchange and coordination within and between departments and offices dealing with early warning and preventive measures.

31. In the period under review, the project implemented 11 activities, involving a total of 250 participants. Details of these activities are given in table 4 below.

Table 4
Key activities in the early warning and preventive measures project, July 2005-February 2007

Date	*Activity*	*Venue*	*Number of participants*	*Number of participant-days*
3-7 October 2005	F34 South-East Asia workshop	Bangkok	48	240
28 November-2 December 2005	F35 Central and South America workshop (in Spanish)	Panama City	17	85
30 January-3 February 2006	F36 Middle East workshop	Dubai City	21	105
29 March-1 April 2006	Inter-agency programming committee workshop	Port Moresby	11	44
8-12 May 2006	F37 South-East Asia workshop	Bangkok	16	80
12-16 June 2006	F38 Central Asia workshop	Bishkek	16	80
10-14 July 2006	F39 — East Africa workshop	Addis Ababa	27	135
13-15 September 2006	Train4Dev: joint staff training on conflict prevention/peacebuilding	Kampala	38	144
23-27 October 2006	F40 Central and Latin America workshop (in Spanish)	La Antigua, Guatemala	17	85
20-24 November 2006	F41 — Francophone Africa workshop (in French)	Turin	17	85
22-24 February 2007	Strategic review meeting	Turin	22	66
Total number of activities, participants, and participant-days		**11**	**250**	**1 149**

Note: "Participant-days" is the number of participants multiplied by the number of days.

Actors for change: strengthening national human rights institutions

32. Since 2005 the College in cooperation with the National Institutions Unit of the Office of the High Commissioner for Human Rights has launched a regional training project for national human rights institutions in different regions of the world.

33. The project aims to strengthen the capacity of national institutions for the promotion and protection of human rights, in particular to engage in the prevention of violent conflict through individual and collective reinforcement by means of strengthening their regional networks. Each training course targets the national

institutions from one region of the world (e.g. Latin America, francophone Africa, Asia and the Pacific).

34. In the period under review, the project delivered six courses involving a total of 120 participants. Details of these activities are given in table 5 below.

Table 5
Key activities in conflict prevention distance learning project, July 2005-May 2007

Date	*Activity*	*Venue*	*Number of participants*	*Number of participant-days*
August/November 2005	Conflict prevention course for national institutions of Asia and Oceania (English)	Colombo	22	341
October 2005/ February 2006	Conflict prevention course for national institutions of Anglophone Africa (English)	Abuja	22	506
April/August 2006	Conflict prevention course for national institutions of Europe and Central Asia (English)	Sarajevo	9	207
July 2006/ February 2007	Conflict prevention course for national institutions of francophone Africa (French)	Dakar	18	414
August/December 2006	Conflict prevention course for national institutions of Latin America (Spanish)	Antigua, Guatemala	20	460
May 2007	Conflict prevention course for national institutions of Anglophone Africa (English)	Nairobi	29	681
Total			**120**	**2 609**

Note: "Participant-days" is the number of participants multiplied by the number of days. The course includes 10 hours per week for 16 weeks of distance learning activities and a face-to-face workshop of three days.

C. Leadership and management

35. As from the second half of 2006, the College has enhanced its focus on management and leadership development by establishing a unit dedicated to this area.

36. There are two main areas of focus: first, support for the management programmes of United Nations system agencies, by providing guidance and materials for their own efforts to enhance management and leadership competencies; second, a major new initiative for the senior-most leaders across the United Nations system agencies, which is described below.

Senior Management Network leadership development programme

37. The Senior Management Network initiative addresses an important gap in United Nations system needs. The objectives are:

(a) To strengthen managerial and leadership capacity as an integral step in improving organizational performance;

(b) To build a common corporate culture in order to heighten the esprit de corps;

(c) To facilitate the devolution of responsibility and accountability in relation to core managerial functions;

(d) To enhance inter-agency cohesion and coordination and to promote increased mobility and learning across the system;

(e) To signal a commitment to the professionalism of the management function.

38. The overall infrastructure of the Senior Management Network consists of four interrelated components:

(a) A common competency framework;

(b) A system-wide leadership development programme;

(c) Managerial support tools and resources, made available through electronic means;

(d) A global management forum.

39. The College was requested to develop the leadership development programme for the Senior Management Network.

40. The programme will be targeted at senior staff in the system, usually at the D-1 level and above, who have an impact on the organizational direction of the agencies. The design of the programme commenced in the third quarter of 2006 and the first cohort of participants will begin their training at the end of 2007.

41. The Senior Management Network leadership programme is aimed at strengthening the knowledge and skills of senior managers in the following nine content areas: (a) change leadership; (b) cross-cultural leadership; (c) strategic thinking and strategy enactment; (d) conflict management; (e) influencing and negotiating; (f) judgement and decision-making in a complex and ambiguous environment; (g) results-oriented leadership; (h) leading to collaborate; and (i) interpersonal leadership. The programme flow includes:

(a) A launching conference focusing on engagement, as well as introducing the basic concepts of culture, change and leadership, and teaching the skills of dialogue and inquiry, while allowing for networking between participants;

(b) Three four-day events:

(i) In Japan, focusing on interpersonal leadership, leading to collaborate, influencing and negotiating;

(ii) In South Africa, focusing on change leadership, strategic thinking and strategy thinking, and conflict management;

(iii) In Costa Rica, focusing on judgement and decision-making, and results-oriented leadership;

(c) Large-scale debriefing conference, focusing on the review of the study trips, conclusions on United Nations leadership and further networking.

D. United Nations system learning and training services

42. The United Nations System Staff College also works with all United Nations organizations to implement learning that can further the effective professional development of staff. This involves developing the organizational learning culture, as well as facilitating the development of competency-based approaches to learning, training and staff development with improved knowledge-sharing practices.

United Nations Learning Community

43. The United Nations Learning Community is a network of more than 300 staff working in the United Nations system and United Nations-affiliated international organizations who are primarily employed in the training and staff development units of the organizations and can support each other through a variety of knowledge-sharing activities.

44. The database of the Learning Community is housed on the College website, and includes a range of features to help members stay in touch, including member profiles and a resource bank. The sharing space keeps members from around the globe abreast of what is happening in other organizations as well as in regional communities, such as the Geneva Learning Network.

Geneva Learning Network

45. The Geneva Learning Network is a network of approximately 75 learning managers, mainly Geneva-based but also including training professionals from Bern, Strasbourg, The Hague and Turin, representing over 30 international organizations.

46. In 2007, and for the first time, the College has been co-chairing the Geneva Learning Network meetings along with the Office of the United Nations High Commissioner for Refugees (UNHCR).

United Nations learning and training consultants database

47. The College established in March 2006 an online database of learning and training consultants' curricula vitae, along with information on their previous assignments for the United Nations system. This information, with a search facility using a range of criteria (e.g. area of expertise, location, language abilities), is available to organizations in the United Nations system.

Learning Managers Forum

48. The aim of the Learning Managers Forum is to foster in United Nations learning managers a common vision on human resources and staff development issues. In the period under review, the College coordinated two (2) forums at the College campus in Turin, Italy.

Table 6
Key activities with the Learning Managers Forum, 2005-2007

Date	*Activity*	*Number of participants*	*Number of participant-days*
7-9 June 2006	Learning Managers Forum	46	138
6-8 June 2007	Learning Managers Forum	45	135
Total		**91**	**273**

Note: "Participant-days" is the number of participants multiplied by the number of days.

Inter-agency learning tools

49. The College facilitates the following strategic system-wide learning tools:

(a) Organizational learning framework: a system-wide tool to measure the state of learning in the United Nations;

(b) Belbin Team Roles: a virtual tool for team-building support using the Belbin Team Roles model;

(c) Team assessment and development: a tool which facilitates and guides the development of teams based on the results of the assessment;

(d) Needs assessment and evaluation: a non-prescriptive, customizable methodology to monitor and evaluate capacity-building initiatives.

Young Professionals orientation programme

50. The young Professionals orientation programme provides an opportunity for young Professionals to develop pre-service competencies that will help them begin their United Nations system placement with success. The workshop focuses on three main areas: United Nations system knowledge, workplace skills and networking.

Table 7
Key activities with the young Professionals orientation programme, 2005-2007

Date	*Activity*	*Venue*	*Number of participants*	*Number of participant-days*
4-16 September 2005	Young Professionals orientation programme	Turin	49	490
10-22 September 2006	Young Professionals orientation programme	Turin	40	400
Total		**2**	**89**	**890**

Note: "Participant-days" is the number of participants multiplied by the number of days.

United Nations Fellows: tools for development cooperation

51. The United Nations Fellows workshop is an activity of induction training for participants selected by relevant United Nations partners. The focus of the programme is on international development cooperation, in particular on the formulation and design of projects.

Table 8
Key activities with the United Nations Fellows: tools for development cooperation, 2005-2007

Date	*Activity*	*Venue*	*Number of participants*	*Number of participant-days*
4-16 December 2005	United Nations Fellows workshop: tools for development cooperation	Turin	35	350
3-15 December 2006	United Nations Fellows workshop: tools for development cooperation	Turin	39	390
Total		**2**	**74**	**740**

Note: "Participant-days" is the number of participants multiplied by the number of days.

E. Other activities

52. During the initial part of the period under review, the United Nations System Staff College activities were organized around 10 areas or clusters. The following paragraphs provide details of those activities not covered in the current four reorganized programmes of the College.

Table 9
Other activities, 2005-2007

Date	*Activity*	*Venue*	*Number of participants*
December 2005	Enhancing communication skills and media relations for diplomacy	Turin	18
January 2006	Master in peacekeeping management	University of Turin, Turin	25
January 2006	United Nations Country Team retreat	Zambia	40
February 2006	2006 annual retreat UNDP Regional Centre	Sri Lanka	60
March 2006	Results-based management for War-torn Societies Project international staff	Kenya	40
March 2006	Master in international institutions	Bocconi University, Milan	60
April 2006	Results-based management for War-torn Societies Project international staff	Geneva	35
May 2006	Human rights and the human rights-based approach to programming	UNESCO, Paris	40
May 2006	Team-building for United Nations Country Team and the Cabinet of Namibia	Namibia	40
July 2006	Millennium Development Goals workshop with the Institute for Relations between Italy and Africa, Latin America, and the Middle and Far East (IPALMO)	Syrian Arab Republic	60
July 2006	Millennium Development Goals workshop with IPALMO	Jordan	50

Date	*Activity*	*Venue*	*Number of participants*
July 2006	Workshop on Millennium Strategy and the Millennium Development Goals in the MENA Region	Egypt	50
September 2006	Human rights and the human rights-based approach to programming	UNESCO, Paris	35
October 2006	Masters degree programme in strategic communication	University of Twente, Netherlands	55
October 2006	Gender mainstreaming training	UNESCO, Paris	35
November 2006	Regional workshop on gender mainstreaming	UNESCO, Uruguay	30
November 2006	Introduction to effective communication for junior diplomats	Rome	22
December 2006	Enhancing communication skills and media relations for diplomacy	Turin	14
December 2006	Team-building retreat UNDP Regional Centre	Sri Lanka	45
January 2007	Capacity development and training in gender mainstreaming	Jordan	35
January 2007	Heads of agencies retreat	Zambia	40
February 2007	Capacity-building of UNESCO field office staff in the human rights-based approach	Thailand	35
April 2007	Human rights-based approach training for the communication and information sector	UNESCO, Paris	35
March 2007	Triennial Comprehensive Policy Review global consultation workshop on the effectiveness of the United Nations system operational activities for development	Turin	40
March 2007	United Nations Evaluation Group-United Nations System Staff College evaluation course	Turin	31
Total			**970**

VII. Management and administration

53. During the reporting period, the United Nations System Staff College has successfully implemented measures detailed in the previous report to strengthen its own internal management systems and procedures and to foster an environment that is more inducive to learning. Implementation of these measures has contributed to improving the efficiency and effectiveness of the College as a results-based organization operating in a public sector environment.

54. In March 2007, through the pro bono contribution of a local Turin-based company, the College website was entirely redesigned. The table below illustrates the growing number of visitors to the College website since 2003.

Table 10
Total visitors to the College website, 2003-2005, by month

Month	*2003*	*2004*	*2005*	*2006*	*2007*
January	13 776	18 517	23 849	39 294	47 516
February	13 560	19 447	24 687	38 482	40 978
March	14 522	21 399	25 387	53 845	50 248
April	15 647	18 009	25 295	49 537	
May	15 663	15 741	24 501	56 831	
June	13 811	14 932	24 097	57 529	
July	13 188	13 889	27 061	50 823	
August	11 623	14 772	24 681	47 173	
September	16 378	17 187	27 685	51 331	
October	20 024	20 806	31 684	51 158	
November	20 447	20 541	32 985	44 932	
December	17 316	21 428	35 116	45 312	
Total	**185 955**	**216 668**	**327 028**	**586 247**	**138 742**

Note: Data refer to discrete visitors (not "hits").

VIII. Human and financial resources

55. Total College staff at the end of the reporting period stood at 35.2 full-time equivalents. The corresponding figure at the beginning of the period was 36.2. Several staff at the College were provided on loan or secondment from other United Nations organizations, and the College is grateful for such support.

56. During the reporting period, six United Nations staff members (Professional and support staff) left the College and nine new staff joined the College.

57. Over the reporting period, the overall gender balance (percentage of female staff) in the College increased from 41.9 per cent to 48.9 per cent.

58. Financial resources available to the College in 2005, 2006, and the first two months of 2007 are shown in the summary of total income and expenditure given in table 11 below.

Table 11
Income and expenditure, 2005-2007

Source of funds/type of expenditure	*2005*	*2006*	*2007 (to 28 February)*
	(Millions of United States dollars)		
United Nations core contribution	0.50	0.50	0.50
Host country contribution (untied)	1.95	2.49	—
Voluntary United Nations contributions	3.19	2.55	0.35
Voluntary contributions from Member States (including the host country) and others	1.00	2.59	0.44
Total	**6.64**	**8.13**	**1.29**
Salaries and benefits	2.07	2.62	0.59
Other labour costs	1.19	0.95	0.49
Operating costs	2.29	1.58	0.50
Net transfer to operating reserves	0.40	0.37	—
Total	**5.95**	**5.53**	**1.58**

59. On the income side, the College receives funding from four main sources. First, there is an annual core contribution from the member organizations of the Chief Executives Board. The contribution is based on a cost-sharing formula fixed by the Chief Executives Board. During the reporting period, the formula yielded a total of $0.5 million per annum.

60. Second, the host country, Italy, makes a generous, untied contribution to the activities of the College amounting to Euro 1,500,000 (about $1,945,000) in 2005 and Euro 2,000,000 (about $2,489,000) in 2006. The City of Turin also provides free office facilities for the College in Turin.

61. Third, the College earns voluntary contributions from organizations in the United Nations system in the form of fees and costs related to the supply of service. These contributions are tied to specific projects/activities and vary from year to year.

62. Lastly, the College receives voluntary contributions from Member States and foundations. A list of contributors in the period 2005-2007 is given in table 12 below.

Table 12
Voluntary contributions to the College, 2005-2007

2005	*2006*	*2007 (to 28 February)*
Italy	Italy	Sweden
Sweden	Germany	
Compagnia di San Paolo	Sweden	
	Compagnia di San Paolo	
Total $1.00 million	**Total $2.59 million**	**Total $0.44 million**

63. The College fund balance is shown in table 13 below:

Table 13
Opening and closing fund balance, 2005-2007

Source of funds	*1 July 2005*	*1 July 2006*	*28 February 2007*	*Change from 1 July 2005*
	(Millions of United States dollars)			
Fund balance	2.68	3.76	3.64	0.96
Reserves	0.39	0.85	0.77	0.38
Total fund balance	**3.07**	**4.62**	**4.42**	**1.35**

Note: The fund balance is the total fund balance available for allotment.

IX. Future developments

64. In the period under review, the Board of Governors, supported by the Expert Technical Review Panel, has shown leadership by approving a new curriculum and business plan.

65. The new College Director has, accordingly, reorganized the programme activities of the College by refocusing on the College's core objectives and providing a realigned perspective for the short term (2006-2007) and a new vision for the medium term (2008-2009).

66. Such vision is to be, and is to be recognized as being, a high-quality centre of excellence of learning and training services dedicated to the support of the United Nations system in achieving its central objectives and building its capacities in a selected number of major strategic areas.

67. After the realignment phase (2006-2007), it is the ambition of the College to become an illustration of the reform process itself. That is to say, the College vision will be realized when:

(a) The College is recognized as a visible and reliable asset to the United Nations family of programmes, funds and agencies, concentrating on United Nations system reform and other system-wide priorities;

(b) The College's four programmes are attractive to a larger number of donors, so as to consolidate a viable funding base;

(c) The College's four programmes are strategic and are perceived as adding-value to other staff training offered within the United Nations system;

(d) The College's work shows cutting-edge best practices and is a model in terms of cost-efficiency and effectiveness of operations;

(e) The College has been able to build strategic alliances inside and outside of the United Nations and can leverage these alliances for the benefit of the United Nations system as a whole.

68. In summary, the College vision is one of an institution that combines strategic considerations related to United Nations system reform with concrete learning and training actions relevant to all United Nations system staff.

X. Concluding remarks

69. The progress made by the College during the reporting period has been significant. Credit for much of what has been achieved is due to the dedicated work of its staff and the active contribution of the College governance.

70. In 2005, the College delivered 74 training activities with 2,867 participants; in 2006 the College increased the number of activities to 79, with 3,425 participants.

71. The College is grateful to the organization members of the Chief Executives Board for their core contribution to the College each year.

72. The College would also like to acknowledge the generous contribution provided by the host country, Italy, including not only core support but also voluntary contributions to support relevant development initiatives. The active support of the Italian Government continues to play a critical role for the College.

73. Similarly, the College is very appreciative of voluntary contributions received from Member States and others. These contributions help to broaden and improve the quality of services that the College can offer.

74. The next report on the United Nations System Staff College will be presented to the Economic and Social Council in 2009. That report will cover the period 1 July 2007 to 30 June 2009.